



## *Sine Die 6/2/2005*

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This is the first year of a two-year legislative term, which means bills remain in their current position on the legislative calendar until the start of the next legislative year.

### **What legislation passed this year...**

**State Retirement System** - A bill to restructure the Retirement System is awaiting the Governor's signature. It guarantees state retirees at least one percent annual COLA, increases employee and employer contributions to the state pension system, and mandates working retirees to continue contributing to the state system. TERI employees are designated as "at-will" workers, and the state can invest a maximum of 70 percent of system assets in the stock market. In addition, the bill will place oversight of investment under the state Treasurer's Office.

**Tort Reform** - A comprehensive tort reform bill was approved by both the Senate and House. The four major components of the bill are as follows:

- **Joint and Several Liability:** the bill will inhibit plaintiffs from going after only the businesses with the most money (deepest pockets). Also with the bill, defendants are more likely to be held liable only for their particular portion of the cost.
- **Venue:** limits where lawsuits can be filed. Jury shopping will be significantly reduced.
- **Statute of Repose:** the bill reduces the number of years homebuilders and construction owners can be held liable from 13 years to eight years.
- **Frivolous Lawsuits:** plaintiffs and attorneys can be punished with strict sanctions for filing a suit that is found to be frivolous. The bill will also reduce attorneys' fees that are incurred by businesses during the defense process of frivolous cases.

**The Environmental Accountability Act** - This bill will allow the State Grand Jury to investigate will-full environmental crimes. The bill allows a \$2 million threshold for State Grand Jury Investigation.

**Small Business Incentive** – The income tax on small business profits will be cut to 5 percent from 7 percent during a five year period.

**Seatbelt Bill** – Will allow law-enforcement to stop you and issue a \$25 citation for not wearing a seatbelt. The bill is awaiting the governor's signature.

**Beach Re-nourishment** - The legislature agreed to use \$5 million to re-nourish select eroding beaches with sand.

**Mini-bottle Bill** – The small bottles will become extinct in most restaurants and bars starting January 1, 2006. This will allow restaurants and bars to serve multi-liquor concoctions at a more reasonable price.

**Criminal Domestic Violence Bill** - Legislators raised the mandatory minimum penalties for certain domestic violence offenses.