By Senator Bennett

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An act relating to an assessment on the sale of masonry units; creating the "Concrete Masonry Products Research, Education, and Promotion Act"; providing definitions; creating the Florida Concrete Masonry Council, Inc., as a nonprofit corporation; authorizing the council to levy an assessment on the sale of masonry units by a manufacturer, under certain circumstances; specifying the powers and duties of the council; prohibiting the council from participating or intervening in any political campaign; prohibiting the council from using any receipt to benefit its directors, officers, or other private persons; prohibiting the council from engaging in certain activities or exercising certain powers; providing for the appointment of the governing board of the council; providing that board members serve without compensation; entitling members to receive reimbursement for per diem and travel expenses; authorizing the council to submit a referendum to manufacturers of masonry units for authorization to levy an assessment on the sale of concrete masonry units; providing for the administrative powers and duties of the council; authorizing the council to accept grants, donations, contributions, or gifts under certain circumstances; authorizing the council to make payments to other organizations under certain circumstances; requiring that a manufacturer of concrete masonry products collect the assessment from

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a purchaser at the time of sale of a concrete masonry unit; authorizing the council to initiate legal action against a manufacturer that fails to remit the assessment; providing a procedure for manufacturers to petition for a referendum to continue the assessment; requiring the council to adopt bylaws; providing an effective date.

WHEREAS, the Legislature intends to promote the growth of the concrete masonry industry in this state; to assure the public that a superior, sustainable construction material is produced by a skilled and educated workforce; to provide for the general economic welfare of the state and of the producers, contractors, and end-use consumers of masonry products; and to provide the masonry industry of this state with the authority to establish a self-financed, self-governed program to help develop, maintain, and expand the state, national, and foreign markets for masonry products and services that are mined, manufactured, produced, or processed in this state, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida:

Section 1. <u>Concrete Masonry Products Research, Education,</u> and Promotion Act.—

(2) DEFINITIONS.—As used in this section, the term:

(1) SHORT TITLE.—This section may be cited as the "Concrete Masonry Products Research, Education, and Promotion Act."

(a) "Commission" means the Florida Building Commission.

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(b) "Concrete masonry products" refers to a broad class of products, including, but not limited to, concrete masonry units and hardscape products such as concrete pavers and segmental retaining wall units that are manufactured on a block machine using dry-cast concrete.

- (c) "Concrete masonry unit" means a concrete masonry product that is a man-made masonry unit having a nominal width of 3 inches or greater and manufactured by a block machine using dry-cast concrete. The term includes, but is not limited to, gray block, architectural block, concrete brick, concrete masonry units to be post-tensioned, concrete masonry units to be surface-bonded, sound wall block, and fence block. The term does not include concrete veneer units having a width of less than 3 inches, segmental retaining wall units, concrete pavers, clay brick, clay masonry units, precast panels, cast stone, adhered manufactured stone masonry veneer, calcium silicate units, lintels and sills, articulating concrete or revetment block, autoclave-aerated concrete, and dimension stone.
- (d) "Council" means the Florida Concrete Masonry Council,
  Inc.
- (e) "Machine cavity" means the open space in the mold of a block machine capable of forming a single masonry unit that has nominal plan dimensions of 8 inches by 16 inches.
- (f) "Manufacturer" means a person engaged in the business of manufacturing concrete masonry units.
- (g) "Masonry unit" means a noncombustible building product intended to be laid by hand or to be joined using mortar, grout, surface bonding, post-tensioning, or some combination of these methods.

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(3) FLORIDA CONCRETE MASONRY COUNCIL, INC.; CREATION; PURPOSES.—

- (a) There is created the Florida Concrete Masonry Council, Inc., a nonprofit corporation organized under the laws of this state and operating as a direct-support organization of the commission.
- (b) The council may levy an assessment of 1 cent per concrete masonry unit that is produced and sold by a manufacturer in the state if the imposition of the assessment is approved by referendum pursuant to subsection (5). The proceeds of the assessment shall be used to fund the activities of the council. With respect to the administration of the assessment, the council shall:
- 1. Develop, implement, and monitor a collection system for the assessment which must be administered by an independent third party.
  - 2. Conduct referenda under subsections (5) and (11).
  - (c) The council shall:
- 1. Plan, implement, and conduct programs of education, promotion, research, and consumer information and industry information which are designed to strengthen the market position of the concrete masonry industry in this state and in the nation, to maintain and expand domestic and foreign markets, and to expand the uses for concrete masonry products.
- 2. Use the proceeds of the assessment for the purpose of funding research, education, promotion, and consumer and industry information of concrete masonry products in this state and in the nation.
  - 3. Coordinate research, education, promotion, industry, and

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consumer information programs with national programs or programs of other states.

- 4. Develop new uses and markets for concrete masonry products.
- 5. Develop and improve educational access to individuals seeking employment in the field of concrete masonry.
- 6. Develop methods of improving the quality of concrete masonry products for the purpose of windstorm protection.
- 7. Develop methods of improving the energy efficiency attributes of concrete masonry products.
- 8. Inform and educate the public concerning the sustainability and economic benefits of concrete masonry products.
- 9. Serve as a liaison within the concrete masonry and other construction industries of the state and elsewhere in matters that would increase efficiencies that ultimately benefit both the consumer and the concrete masonry industry.
- 10. Buy, sell, mortgage, rent, or improve, in any manner that the council considers expedient, real property or personal property, or both.
- 11. Publish and distribute such papers or periodicals as the board of directors considers necessary to encourage and accomplish the purposes of the council.
- 12. Do all other acts necessary or expedient for the administration of the affairs and attainment of the purposes of the council.
- 143 <u>13. Approve an annual plan, budget, and audit for the</u> 144 council.
  - (d) 1. The council may not participate or intervene in any

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political campaign on behalf of or in opposition to any
candidate for public office. This restriction includes, but is
not limited to, a prohibition against publishing or distributing
any statement.

- 2. The net receipts of the council may not in any part inure to the benefit of or be distributable to its directors, its officers, or other private persons, except that the council may pay reasonable compensation for services rendered by staff employees and may make payments and distributions in furtherance of the purposes of this section.
- 3. Notwithstanding any other provision of law, the council may not carry on any other activity not permitted to be carried on by a corporation:
- a. That is exempt from federal income tax under s.
  501(c)(3) of the Internal Revenue Code; or
- $\underline{\text{b. To which charitable contributions are deductible under}}$  s. 170(c)(2) of the Internal Revenue Code.
- 4. Notwithstanding any other statement of the purposes and responsibilities of the council, the council may not engage in any activity or exercise any power that is not in furtherance of its specific and primary purposes.
  - (4) GOVERNING BOARD.
- (a) The Florida Concrete Masonry Council, Inc., shall be governed by a board of directors composed of 15 members as follows:
- 1. Nine members representing concrete masonry
  manufacturers. Of these board members, at least five must be a
  representative of a manufacturer that is a member of the Masonry
  Association of Florida. These members must be representatives of

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concrete masonry manufacturers of various sizes. A manufacturer may not be represented by more than one member of the board.

- 2. One member representing the Florida Building Commission.
- 3. One member representing the Florida Homebuilders Association.
- 4. One member having expertise in apprenticeship or vocational training.
- 5. Two members who are masonry contractors and who are members of the Masonry Association of Florida.
- 6. One member who is not a masonry contractor or manufacturer or an employee of a masonry contractor or manufacturer, but who is otherwise a stakeholder in the masonry industry.
- (b) The initial board of directors shall be appointed by the chair of the commission based on recommendations from the Masonry Association of Florida. Five of the initial board members shall be appointed to a 1-year term. Five shall be appointed for a 2-year term. The remaining board members shall be appointed for a 3-year term. Thereafter, each member shall be appointed to serve a 3-year term and may be reappointed to serve an additional consecutive term. After the initial appointments are made, each subsequent vacancy must be filled in accordance with the bylaws of the council. A member may not serve more than two consecutive terms. A member representing a manufacturer or a contractor must be employed by a manufacturer or contractor engaging in the trade or manufacture of concrete masonry products for at least 5 years immediately preceding the first day of his or her service on the board. All members of the board shall serve without compensation. However, the board members are

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entitled to reimbursement for per diem and travel expenses incurred in carrying out the intents and purposes of this section in accordance with s. 112.061, Florida Statutes.

- (c) The council shall elect from its members a chair, vice chair, and a secretary-treasurer to a 2-year term. The chair of the board must be a concrete masonry manufacturer.
- (d) The council shall provide for its officers through its bylaws, including the ability to set forth offices and responsibilities and form committees necessary for the administration of this section.
- (e) If a member of the board is absent for two consecutive, officially called meetings, the board of directors may declare that position vacant.
- (f) The council shall provide through its bylaws a mechanism for selecting board members which will require the council to solicit candidates from throughout the concrete masonry industry. The mechanism must ensure a fair and equitable representation on the board of manufacturers of various sizes and manufacturers from regions throughout the state.
- (5) REFERENDUM ON ASSESSMENTS.—All concrete masonry manufacturers in this state may vote in a referendum to determine whether the council may levy an assessment of 1 cent per concrete masonry unit. The referendum shall pose the question: "Do you approve of authorizing the Florida Concrete Masonry Council, Inc., to levy an assessment, pursuant to Florida law, of \$0.01 per concrete masonry unit sold by a manufacturer in this state, to be used for the education of concrete masonry workers, research, and the promotion of concrete masonry products?" The ballot provided to each

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manufacturer must be accompanied with a copy of this section.

The duration of an authorization to levy the assessment may not exceed 5 years following the date of the approval of the levy unless reauthorized pursuant to subsection (11).

- (a) A referendum held under this section must be conducted by the Bureau of Economic and Business Research at the University of Florida by secret ballot in a manner prescribed by the council and approved by the commission. The council may solicit and accept contributions to fund costs incurred for the referendum.
- (b) Notice of a referendum to be held under this section must be given by certified mail to each manufacturer at least 30 days before the referendum is held.
- (c) Each manufacturer is entitled to at least one vote plus one vote for every 10 machine cavities that are owned by the manufacturer and located in this state 90 days before the date of the referendum. However, a manufacturer may not have more than four votes. Proof of identification of the manufacturing of concrete masonry products and of the number of machine cavities must be presented before voting.
- (d) A simple majority vote shall determine any issue that requires a referendum under this section.
  - (6) ADMINISTRATIVE POWERS AND DUTIES OF THE COUNCIL.—
  - (a) The council shall:
- 1. Receive and disburse funds, as prescribed elsewhere in this section, to be used in administering and implementing this section.
  - 2. Maintain a permanent record of its business proceedings.
  - 3. Maintain a permanent, detailed record of its financial

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- 4. Prepare, for review by the concrete masonry industry in this state, periodic reports and an annual report for each fiscal year of its activities, and file the annual report with the commission.
- 5. Prepare, for review by the concrete masonry industry in this state, periodic reports and an annual accounting for each fiscal year of all receipts and expenditures, and retain a certified public accountant for this purpose.
- <u>6. Appoint a licensed banking institution to serve as the depository for program funds and handle disbursements of those funds.</u>
- 7. Maintain frequent communication with public officers at the state and national levels, including the commission.
  - 8. Maintain an office in this state.
  - (b) The council may:
- 1. Conduct or contract for scientific research with any accredited university, college, or similar institution, and enter into other contracts or agreements that will aid in carrying out the purposes of this section, including contracts for the purchase or acquisition of facilities or equipment necessary to carry out the purposes of this section.
- $\underline{\text{2. Disseminate reliable information benefiting the consumer}}$  and the concrete masonry industry.
- 3. Provide to governmental bodies, on request, information relating to subjects of concern to the concrete masonry industry, and act jointly or in cooperation with the state or Federal Government, and agencies thereof, in the development or administration of programs that the council considers to be

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291 consistent with the objectives of this section.

- 4. Sue and be sued as a council without individual liability of the members for acts of the council when acting within the scope of the powers of this section and in the manner prescribed by the laws of this state.
- 5. Borrow from licensed lending institutions money in amounts that are not cumulatively greater than 50 percent of the council's anticipated annual income.
- 6. Maintain a financial reserve for emergency use, the total of which must not exceed 50 percent of the council's anticipated annual income.
- 7. Appoint advisory groups composed of representatives from organizations, institutions, governments, or businesses related to or interested in the welfare of the concrete masonry industry and the end-use consumer.
- 8. Employ subordinate officers and employees of the council, prescribe their duties, and fix their compensation and terms of employment.
- 9. Cooperate with any local, state, regional, or nationwide organization or agency engaged in work or activities consistent with the objectives of the program.
- 10. Cause any duly authorized agent or representative to enter upon the premises of any market agency, market agent, collection agency, or manufacturer and examine or cause to be examined by the authorized agent only books, papers, and records that deal with the payment of the assessment provided for in this section or with the enforcement of this section.
- 11. Do all other things necessary to further the intent of this section which are not prohibited by law.

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(7) ACCEPTANCE OF GRANTS AND GIFTS.—The council may accept grants, donations, contributions, or gifts from any source if the use of such resources is not restricted in any manner that the council considers to be inconsistent with the objectives of this section.

- (8) PAYMENTS TO ORGANIZATIONS.—
- (a) The council may make payments to other organizations for work or services performed which are consistent with the objectives of the program.
- (b) Before making payments described in this subsection, the council must secure a written agreement that the organization receiving payment will:
- 1. Furnish at least annually, or more frequently on request of the council, written or printed reports of program activities and reports of financial data that are relative to the council's funding of such activities; and
- 2. Agree to have appropriate representatives attend business meetings of the council as reasonably requested by the chair of the council.
- (c) The council may require adequate proof of security bonding on the payments to any individual, business, or other organization.
  - (9) COLLECTION OF MONEYS AT TIME OF SALE.
- (a) Each manufacturer shall assess from the purchaser, at the time of sale by the manufacturer, the assessment levied by the council. The amount of the assessment must be separately stated on all receipts, invoices, or other evidence of sale as the "Florida Building Sustainability Fee."
  - (b) The manufacturer shall collect all such moneys and

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forward them quarterly to the council, and the council shall provide appropriate business forms for the convenience of the collecting agent in executing this duty.

- (c) The council shall maintain within its financial records a separate accounting of all moneys received under this subsection. The council shall provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant pursuant to rules adopted by the Auditor General under s. 11.45, Florida Statutes.
- (d) The assessment is due and payable upon the sale of concrete masonry units that are produced in this state, regardless of the location of the purchaser. The assessment constitutes a personal debt of the manufacturer of concrete masonry units who collects the assessment or who otherwise owes the assessment. If a manufacturer fails to remit any properly due assessment, the council may bring a civil action against the manufacturer in the circuit court of any county for the collection thereof, and may add a penalty in the amount of 10 percent of the assessment owed, the cost of enforcing the collection of the assessment, court costs, and reasonable attorney's fees. The action shall be tried and judgment rendered as in any other cause of action for debts due and payable. All assessments, penalties, and enforcement costs are due and payable to the council.
- (10) VOTE ON CONTINUING THE ASSESSMENT.—Upon the delivery by certified mail to the council of petitions that represent at least 25 percent of the votes allocated under subsection (5) and that ask, "Shall the assessment authorized by the Concrete Masonry Products Research, Education, and Promotion Act

general laws of this state.

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378 continue?" the council shall, within 90 days after the receipt 379 of the petitions, conduct a referendum to determine whether a 380 majority of the votes cast in the referendum support the 381 continuation of the Concrete Masonry Products Research, 382 Education, and Promotion Act. All signatures must be collected 383 within a 12-month period. A referendum held under this 384 subsection may not be held more than one time in a 3-year period. Before each referendum, votes shall be reallocated using 385 386 the method described in subsection (5). 387 (11) BYLAWS.—The council shall, by September 30, 2012, 388 adopt bylaws to carry out the intents and purposes of this 389 section. These bylaws may be amended upon 30-days' notice to board members at any regular or special meeting called for this 390

Section 2. This act shall take effect July 1, 2012.

purpose. The bylaws must conform to the requirements of this

section but may also address any matter not in conflict with the