

Lobbyist Report

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Week Five

Remember the old joke: How far can a dog run into the woods? The answer, of course, is halfway – then he is running out the other side!

On Wednesday, we officially began our journey out of the woods, when we hit the halfway point of the 2013 legislative session. But before we celebrate too much, I remind you in the **paraphrased** words of Robert Frost from his poem Stopping by Woods on a Snowy Evening: “The woods are lovely, dark and deep, but there are promises to keep, and miles to go before we sleep.”

The following is a brief discussion of the key issues addressed during week five of legislative session. **Please pay particular attention to the discussion of CS/HB 1399 and CS/CS/SB 458 below relating to local police and firefighter pension reforms.**

In other action this week:

HOUSE and SENATE BUDGET ISSUES

Florida's economy is slowly regaining strength as state economist's project the state's tax collections will grow by about \$3.5 billion, for the next fiscal year. Florida's unemployment rate for February, 2013 is at its lowest level in four years, 7.7%, and recently fell below the national average for the first time in five years.

Within that context, this past week the Senate and House released their proposed budgets for FY 2013-2014. Both budgets (**HB 5001** and **SB 1500**) are remarkably similar with the Senate proposing \$74.3 billion in spending while the House recommends \$74.4 billion in spending. Of course, it's never that easy; both chambers have vastly different spending priorities.

The House provides for a \$1,400 pay raise for *all* state workers, regardless of their salary, while the Senate version includes a 3% across the board raise for the same employees. With respect to the proposed teacher pay raises, the House position is that at least a portion of teacher salaries must be tied to performance measures, while the Senate gives across the board raises for all teachers.

While neither budget funds the expansion of Medicaid under the Affordable Care Act, each increases health care spending. The Senate proposes \$30.8 billion and the House \$31.3 billion, which represents the largest proportion of the budget.

Governor Scott had requested \$278 million in economic incentives in his budget released earlier this year. The Senate reduced that amount to \$41.57 million in the Senate version, while the House proposed \$73 million in incentives.

The Senate budget plan allocates \$70 million to the State Housing Initiatives Partnership (SHIP) program, which provides grants to local governments to pay for affordable housing and its refurbishment and maintenance. This position is great news for local governments and is consistent with the League's legislative priority. The House budget does not include any money for SHIP. The Senate plan directs 20 percent of the money go to aid disabled people and gives \$65 million to the State Apartment Incentive Loan (SAIL) program, with 15 percent of those funds going to units designed for disabled residents. The House provides \$50 million to SAIL, with half going to reduced rents and low interest loans for low income residents and the other half going to qualified elderly applicants. The House plan would give \$45 million to the Florida Housing Finance Corp. (which administers the SHIP and SAIL programs) for down payment assistance for teachers, assistant state attorneys and public defenders, veterans and military service members and medical professionals. The Senate does not include down payment assistance in its plan. Both the Houser and Senate use some of the settlement money to reduce the foreclosure backlog in Florida (where it takes more than 800 days for the average foreclosure to make it through the court system.) The Senate gives \$25 million over two years to the State Court System for this purpose and the House gives \$13 million for one year. Clerks of the court would receive \$15 million over two years in the Senate proposal, \$6.7 million for one year from the House. Legal aid programs providing counseling to homeowners in foreclosure or at risk of foreclosure would get \$10 million from the Senate, \$5 million from the House. The House also gives \$35 million to the nonprofit Habitat for Humanity to construct new homes and rehabilitate existing homes for low income families and provides \$20 million to the Department of Children and Families to increase capacity and expand services for domestic violence centers and emergency shelters. The Florida Prepaid Foundation gets \$15 million in the House plan to add a two-year dorm option to prepaid tuition plans.

In the environmental arena, the House provides \$25 million for Florida Forever with the potential of another \$50 million from land sales. Under the bill, Everglades cleanup would get \$32 million annually. The Senate gives \$10 million for Florida Forever and another \$40 million from land sales. Everglades cleanup would get \$70 million.

SB 1500 <http://www.flsenate.gov/Session/Bill/2013/1500/BillText/Filed/HTML>

HB 5001 <http://www.flsenate.gov/Session/Bill/2013/5001>

PENSION REFORM ISSUES

Both Chambers moved their respective local government police and firefighter pension reform bills this week. **CS/CS/SB 458** (Ring) was passed out of the Senate Appropriations Committee and is awaiting action on the floor of that Chamber. **CS/HB 1399** (Rooney) passed unanimously out of the House Governmental Operations committee and is awaiting action by the House Appropriations Committee. While the League has aggressively pursued more favorable bill language in this area to, give cities greater flexibility to negotiate pension benefit levels and the use of insurance premium tax revenues, it does not appear this level of flexibility will be granted. Broadly speaking, the bills allow cities to reduce pension benefit levels all the way down to the statutory minimum benefit levels (if your city has a police or fire union, this action would have to occur through the collective bargaining process). However, the bills provide very limited flexibility relating to the use of insurance premium tax revenues. Rather, the bills create a fairly complex process on the use of insurance premium tax revenues, depending on when an amount

of insurance premium tax revenues was generated and if the underlying defined benefit plan has either an over or under 80 percent assets-to-liabilities ratio.

An immediate and problematic effect of the bills would be to void the current Florida Department of Management Services (DMS) interpretation on the use of insurance premium tax revenues, as reflected in the “City of Naples” type letters. This recent DMS interpretation provides cities with broad flexibility in negotiating pension benefit levels and use of insurance premium tax revenues. **The League opposes these bills.**

CS/CS/SB 458 <http://www.flsenate.gov/Session/Bill/2013/0458>

CS/HB 1399 <http://www.flsenate.gov/Session/Bill/2013/1399>

ETHICS and ELECTIONS ISSUES

CS/CS/SB 600 (Senate Ethics and Elections Committee) makes several changes to the Florida Election Code. The primary election date will now be 10 weeks before the general election, instead of 12 weeks. In addition to the early voting period beginning the 10th day prior to an election and ending on the 3rd day prior to an election, the supervisor of elections has the option of extending early voting from the 15th through 11th days prior to an election and on the second day prior to an election. Early voting sites are required to be open a minimum of eight hours per day to a maximum of 12 hours per day. The list of authorized voting location sites is expanded. CS/CS/SB 600 passed the Senate Community Affairs Committee and is now awaiting action by the Senate Rules Committee.

CS/CS/SB 600 <http://www.flsenate.gov/Session/Bill/2013/0600>

CS/CS/SB 1382 (Latvala) makes several changes to campaign finance laws applicable to both local and statewide candidates. Of interest to municipalities, the Senate bill retains the contribution limit for candidates for municipal office remains at \$500 per person per election. CS/CS/SB 1382 was on the Senate Rules Committee agenda, but was not considered.

CS/CS/SB 1382 <http://www.flsenate.gov/Session/Bill/2013/1382>

CS/SB 544 (Braynon), a bill clarifying that a governmental entity can provide a legislator with the use of a public facility or public property for a public purpose without violating the legislative gift ban passed the Senate Governmental Oversight and Accountability Committee. A similar measure, **CS/SB 1634** (Lee) revises the legislative expenditure ban by allowing legislators to accept individual servings of nonalcoholic beverages at events sponsored by lobbyists or a meal when giving a speech to an organization in the course of their legislative work. The substance of CS/SB 544 was amended onto CS/SB 1634 which passed the Senate Ethics and Elections Committee.

CS/SB 544 <http://www.flsenate.gov/Session/Bill/2013/0544>

CS/SB 1634 <http://www.flsenate.gov/Session/Bill/2013/1634>

TRANSPORTATION ISSUES

CS/SB 1632 (Latvala) revises and updates provisions of the outdoor advertising (billboard) statute to comply with recent changes in land use statutes. The majority of provisions only apply

to the Department of Transportation. Signs will only be permitted by FDOT in commercial or industrial zones, as determined by the local government. A pilot program allowing municipalities to negotiate sign removal from urban or historic areas under certain conditions has been expanded statewide. CS/SB 1632 passed the Senate Appropriations Committee.

CS/SB 1632 <http://www.flsenate.gov/Session/Bill/2013/1632>

GENERAL GOVERNMENT ISSUES

A priority bill dealing with synthetic drugs, **CS/SB 294** (Bradley), passed the Senate unanimously this week. The bill adds new substances to the Schedule I list of drugs and is an attempt to stop the proliferation of these dangerous drugs in the state of Florida. The League supports this bill.

CS/SB 294 <http://www.flsenate.gov/Session/Bill/2013/0294>

Another priority dealing with sober homes, passed the Senate Children, Families, and Elder Affairs Committee. The bill, **CS/SB 738** (Clemens), requires sober home operators to register with the Department of Children and Families and allows for local regulation of these facilities. The League supports this bill.

CS/SB 738 <http://www.flsenate.gov/Session/Bill/2013/0738>

CS/SB 1030 (Thrasher) and **CS/HB 155** (Trujillo) make internet gaming establishments (internet cafes) illegal in Florida passed the legislature and is on the way to the Governor's desk.

CS/SB 1030 <http://www.flsenate.gov/Session/Bill/2013/1030>

CS/HB 155 <http://www.flsenate.gov/Session/Bill/2013/155>

SB 684 (Hays) preempts local preference ordinances for the purchase of personal property and construction services if state funds are involved passed the Senate Government Oversight and Accountability Committee this week. **SB 684** also mandates a state preference for those services if the low bidder is from outside the state and if state funds are used, either in whole or in part, for the purchase. The League is opposed to this bill.

SB 684 <http://www.flsenate.gov/Session/Bill/2013/0684>

ENERGY and ENVIRONMENTAL ISSUES

CS/SB 948 (Grimsley) allowing the Department of Agriculture and Consumer Services to become involved in the scientific data collection of the regional water supply planning process passed the Senate Agriculture Committee and is headed to the Senate floor.

CS/SB 948 <http://www.flsenate.gov/Session/Bill/2013/0948>

SB 320 (Evers) passed the Senate Communications, Energy, and Public Utilities committee. The bill repeals the Florida Renewable Fuel Act, which would remove the requirement that all gasoline offered for sale in this state includes a percentage of ethanol.

SB 320 <http://www.flsenate.gov/Session/Bill/2013/0320>

HB 7113 (House Agriculture and Natural Resources Committee) exempts Department of Environmental Protection (DEP) created Total Maximum Daily Loads (TMDLs) for impaired water bodies from ratification by the Legislature. HB 7113 passed the House Rulemaking Oversight and Repeal Subcommittee.

HB 7113 <http://www.flsenate.gov/Session/Bill/2013/7113>

CS/HB 7115 (House Rulemaking Oversight and Repeal Subcommittee) which represents an agreement between DEP and the Environmental Protection Agency (EPA) to withdraw federal water quality standards on Florida's water bodies upon the completion of DEP's water quality program for estuaries and South Florida waters. CS/HB passed the House Rulemaking Oversight and Repeal Subcommittee

CS/HB 7115 <http://www.flsenate.gov/Session/Bill/2013/7115>

CS/SB 934 (Lee) passed the Senate Community Affairs committee. The bill allows for rules for environmental resource permitting to provide for conceptual permits for a city or county that creates a stormwater management master plan for urban infill and redevelopment areas.

CS/SB 934 <http://www.flsenate.gov/Session/Bill/2013/0934>

CS/SB 754 (Senate Environmental Preservation and Conservation Committee) passed the Senate Community Affairs committee. The bill authorizes DEP to implement a water quality credit trading program in adopted Basin Management Action Plans (BMPAs) on an ongoing basis. The program was a pilot program conducted in the Lower St. Johns River Basin, this bill would expand the program statewide on a voluntary basis.

CS/SB 754 <http://www.flsenate.gov/Session/Bill/2013/0754>

A bill clarifying that an onsite sewage treatment and disposal system installed after July 1, 2010, which meets Department of Health standard's is not required to connect to a sewer system until December 31, 2020. **CS/CS/CS/HB 375** (House State Affairs Committee) passed the House State Affairs Committee.

CS/CS/CS/HB 375 <http://www.flsenate.gov/Session/Bill/2013/0375>

CS/SB 1684 (Altman) passed the Environmental Preservation and Conservation committee. The bill amends the development permit review process for professionals to a tiered review system, among other things. The bill provides that the issuance of well permits is the sole responsibility of water management districts.

CS/SB 1684 <http://www.flsenate.gov/Session/Bill/2013/1684>

CS/SB 444 (Diaz de la Portilla) passed the Senate Appropriations Committee. The bill revises the measurement standard for the wastewater flow discharged from ocean outfalls.

CS/SB 444 <http://www.flsenate.gov/Session/Bill/2013/0444>

CS/CS/HB 203 (Beshears) which preempts local governments from collecting a fee or passing an ordinance on a bonafide agricultural operation if that activity is regulated by the best management practices of DACS, DEP, ACOE, or EPA.

CS/CS/HB 203 <http://www.flsenate.gov/Session/Bill/2013/0203>

The House Regulatory Affairs Committee passed **CS/HB 633** (Perry). The bill exempts local governments from bonding and reporting requirements for the production of biodiesel for internal use.

CS/HB 633 <http://www.flsenate.gov/Session/Bill/2013/0633>

GROWTH MANAGEMENT and ECONOMIC DEVELOPMENT ISSUES

The Senate Appropriations Committee passed **SB 1852** (Senate Appropriations) that allocates \$200 million from the national foreclosure settlement, in which the state was a party to a national lawsuit against five of the nation's largest banks who committed foreclosure abuses. The House and Senate position differ greatly on the funding of the State Housing Initiative Partnership (SHIP). The Senate bill allocates \$70 million dollars from the \$200 million to fund SHIP, while the House position includes no funding for SHIP. The League supports the position in SB 1852 to include funding for SHIP.

SB 1852 <http://www.flsenate.gov/Session/Bill/2013/1852>

The Senate Judiciary Committee passed **CS/SB 528** (Simpson) revising the Community Planning Act to clarify that local governments may not authorize initiatives and referendums for development orders or comprehensive plan amendments, unless a local government charter authorized such action prior to June 1, 2011.

CS/SB 528 <http://www.flsenate.gov/Session/Bill/2013/0528>

The Senate Appropriations Subcommittee on Finance and Tax passed two bills that revise Neighborhood Improvement Districts (NID), **CS/SB 564** (Simmons) and **CS/SB 770** (Ring). The main focus of both bills is to authorize a NID to have bonding authority.

CS/SB 564 <http://www.flsenate.gov/Session/Bill/2013/0564>

CS/SB 770 <http://www.flsenate.gov/Session/Bill/2013/0770>

CS/CS/SB 84 (Diaz de la Portilla) passed the Senate Transportation Committee. The bill provides for a framework that local governments must follow when reviewing bids for public-private partnership (PPP) agreements, including unsolicited bids and creates a task force that issues guidelines that local governments must implement. The bill authorizes counties to conduct PPP transportation projects through municipal boundaries without interlocal agreements.

CS/CS/SB 84 was amended in Committee to remove the requirement that local governments publish all unsolicited bids, unless the governing body plans to accept the proposal.

CS/CS/SB 84 <http://www.flsenate.gov/Session/Bill/2013/0084>

Amended versions of **CS/CS/HB 321** (La Rosa) and **CS/SB 1716** (Garcia) passed Committees this week. The legislation in its amended format prohibits local governments from collecting proportionate-share contributions or impact fees until July 1, 2016, only for commercial developments less than 6,000 SQ. FT. A simple majority vote of the local governing body may opt out of all provisions of this bill.

CS/CS/HB 321 passed the House Finance and Tax Subcommittee and **CS/SB 1716** passed the Senate Community Affairs Committee.

CS/CS/HB 321 <http://www.flsenate.gov/Session/Bill/2013/0321>

CS/SB 1716 <http://www.flsenate.gov/Session/Bill/2013/1716>

CS/CS/SB 1106 (Hays) and **CS/HB 927** (Raschein) passed all Committee references this week and are awaiting floor votes in their respective chambers. The legislation preempts local governments from adopting any ordinance, regulation, rule or policy that restricts or otherwise limits agritourism activity on land classified as agricultural, and limits liability restrictions for agritourism operators. A League supported amendment was adopted to both bills that limited the definition of agritourism and specified that agritourism activities did not apply to the construction of buildings or facilities that would primarily be used by members of the public. CS/HB 927 passed the House State Affairs and CS/CS/SB 1106 passed the Senate Rules Committee.

CS/CS/SB 1106 <http://www.flsenate.gov/Session/Bill/2013/1106>

CS/HB 927 <http://www.flsenate.gov/Session/Bill/2013/0927>

CS/CS/SB 972 (Hukill) passed the Senate Transportation Committee. The bill formally requires “pay and go” both for concurrency if you keep it as well as any alternative system like mobility fees/plans. CS/CS/SB 972 specifies that projects which relieve transportation deficiencies may include projects outside the designated deficiency area and that developers may pool their fees to pay for such improvements.

CS/CS/SB 972 <http://www.flsenate.gov/Session/Bill/2013/0972>

CS/SB 1074 (Hays) revises provisions relating to the update of an inventory of certain facilities needing repairs or innovation maintained by the Department of Management Services. CS/SB 1074 was amended in the Senate Environmental Preservation and Conservation Committee to include the “Underused Property Maximization Program”. The amendment requires that governmental entities including municipalities, inventory all real property that is owned or leased and report it to the Department of Management Services. The inventory list is then to be used by all governmental entities looking to purchase or lease additional real property and outlines a procedure by which a government entity may purchase or lease underused property of other government entities.

CS/SB 1074 <http://www.flsenate.gov/Session/Bill/2013/1074>

HB 7101(House Veteran and Military Affairs Subcommittee) and **SB 1784** (Senate Military and Veterans Affairs, Space, and Domestic Security) allow the state to purchase lands near military installations that have no conservation value in order to secure buffers around military bases. HB 7101 passed the House Economic Affairs Committee and SB 1784 passed the Senate Environmental Preservation and Conservation Committee.

HB 7101 <http://www.flsenate.gov/Session/Bill/2013/7101>

SB 1784 <http://www.flsenate.gov/Session/Bill/2013/1784>

HB 5601 (House Finance and Tax Subcommittee) is the House comprehensive economic development package. The bill contains several provisions designed to encourage economic development including; a tax incentive for certain aircraft sales, a tax incentive for a baseball spring training facility, removing the cap for qualified target industry incentives and for defense and space contractors program, increasing the new markets development program tax credit by

\$15 million, allowing certain wineries to also be licensed distributors and creating the back to school sales tax holiday for August 2, 2013.

HB 5601 <http://www.flsenate.gov/Session/Bill/2013/5601>

CS/SB 582 (Galvano) authorize local governments to establish local manufacturing development programs that provide for master development approval for certain sites. The legislation requires the Department of Economic Opportunity to develop a model ordinance containing specified information and provisions that local governments may adopt. The legislation requires that once a local government adopts this program, a two-year waiting period is required should the local government decide to terminate it. CS/SB 582 passed the Senate Commerce and Tourism Committee.

CS/SB 582 <http://www.flsenate.gov/Session/Bill/2013/0582>

FINANCE and TAX ISSUES

CS/HB 807 (Stuebe) allows for the collection of a prepaid wireless E911 fee by retailers at the point of sale and reduces the existing E911 fee to \$0.46 per month per service identifier, passed the House Regulatory Affairs Committee.

CS/HB 807 <http://www.flsenate.gov/Session/Bill/2013/0807>

CS/SB 1070 (Hays) was amended in the Senate Communications, Energy and Public Utilities Committee to remove all substantive issues relating to the collections of the E911 fees on prepaid phones and now only extends the moratorium on the collection of the E911 fee on prepaid phones until 2015.

CS/SB 1070 <http://www.flsenate.gov/Session/Bill/2013/1070>

HB 421 (Ahern) reduces the interest rate applicable to delinquent real property taxes from 18 percent to 12 percent per year. HB 421 was voted down in the House Finance and Tax Committee and then was reconsidered and temporarily postponed effectively killing it for this session.

HB 421 <http://www.flsenate.gov/Session/Bill/2013/0421>

The House Finance and Tax Committee introduced **HB 7159** which is their property tax packages. The bill deals with two constitutional amendments that were approved by voters in November 2012 which dealt with property tax exemptions for disabled veterans and low-income seniors. The bill also includes a provision that closes the loophole for entities to take advantage of the affordable house property tax exemption. The League supports this provision as it is estimated to have a positive recessing fiscal impact of \$117.2 million per year from local governments.

HB 7159 <http://www.flsenate.gov/Session/Bill/2013/7159>