

PBC Legislative Update



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Happy New Year First Committee Week Update

State Issues

SEMINOLES WIN NATIONAL CHAMPIONSHIP

Last week, committee meetings did not get into full swing until Wednesday morning, mainly due to the BCS National Championship game in Pasadena, which many Members of the Legislature attended. Florida State University beat Auburn University to win their third national title...finally catching up to the University of Florida in National football titles.

MOTOR VEHICLE LICENSE FEES

By: Ericks Consultants

A proposal to cut motor vehicle fees, SB 156 by Senator Joe Negron, unanimously passed its second of two committees in the Senate. The fees would be reduced by \$12 per year and reverse a fee hike that the state passed five years ago to address a budget gap resulting from the recent economic recession.

SMALL BUSINESS IMPACT FEES

By: Ericks Consultants

The House Economic Development & Tourism Subcommittee discussed various committee proposals, including a proposal to exempt small businesses from impact fees, proportionate share, and concurrency for three years. Questions were raised regarding the impact on local governments but committee members also pointed out benefits to local economies.

VACATION RENTALS

By: Ericks Consultants

Senate Regulated Industries took up a bill that would allow local governments to regulate vacation rentals as regulations are currently preempted to the state. The bill's sponsor, with support from Sen. Sobel, argued that local governments are best suited to handle things such as zoning disputes of the kind that arise from vacation rentals and not the state. While the bill passed unanimously, there were concerns expressed over local governments intruding on property rights – which argument compelled the legislature to preempt regulations in the first place. Industry representatives also claimed that the current law does allow for sufficient local regulation. The bill has one more committee stop before heading before the full Senate.

SMOKING ON PLAYGROUNDS

By: Ericks Consultants

Senate Regulated Industries unanimously passed, SB 342, which would allow local governments to ban smoking on playgrounds. Regulation of smoking is currently

preempted to the state. The bill sponsor promised to flesh out the bill to include a reference to the statutory definition of playgrounds at a future stop. The bill has two more committee stops before heading before the full Senate.

YELLOW DOT MOTORIST MEDICAL INFORMATION PROGRAM

By: Ericks Consultants

Senate Transportation approved a bill by Sen. Abruzzo that would allow counties to create a Yellow Dot Motorist Medical Information program to assist emergency medical professionals in better servicing motorists involved in accidents. The bill has one more stop before going before the full Senate. A companion bill that would exempt motorist information from public record was also unanimously approved. That bill has three more committee stops before going before the full Senate. Meanwhile, the House companions, filed by Rep. Slosberg, are on the House Transportation & Highway Safety agenda for next week.

FIREWORKS

By: Ericks Consultants

A Senate bill, SB 314, that would repeal regulations of fireworks was amended to allow local governments to create ordinances that are stricter than state law, thereby removing the state preemption, and was passed by the Commerce and Tourism committee. The bill as amended would require an individual be at least 16 years of age and sign an acknowledgement form that states the dangers in order to purchase fireworks. The bill would also require firework retailers to purchase insurance of at least \$2 million in coverage. The Fire Chief's Association raised safety concerns with the bill and multiple members questioned whether the 16-year age limit was too young. The Senate sponsor insisted the bill's purpose was merely to address a requirement that individuals provide false information (i.e. swear the fireworks would be for agricultural use only when the use will be for celebrations) at the point of sale. He explained that currently- so long as one signs the agricultural exemption- one is able to purchase fireworks regardless of age or other factors. The committee passed the amended bill 7-4 and has one more committee stop before going before the full Senate. The House version of the bill, HB 4005, would still repeal regulations without allowing for greater local control, however it was temporarily postponed in the House Insurance and Banking committee and has three committee stops before going before the full House.

E-911

By: Ericks Consultants

The House Energy and Utilities Subcommittee passed a pair of companion bills, HB 175/177, that would allow for the collection of E911 fees on prepaid wireless plans and establishes a specific E911 fund to store the fees collected. The bills would also lower the fee for retailers, retain current caps and revise the distribution of the fee as well as protect proprietary business information. Industry leaders and multiple counties supported the bill.

RED LIGHT CAMERAS

By: Ericks Consultants and Corcoran & Johnston

The House Transportation and Highway Safety Subcommittee approved a Department of Transportation legislative package which included provisions to ban future red light cameras, reduce the amount charged from red light cameras from \$158 to \$83, require money collected from violations to go only to the State and not to local governments, and only allow a surcharge to cover administrative costs. The language also limits the local hearing fee to \$25 (from \$250). These changes effectively prohibit cameras in the future and deem the current cameras unworkable as local governments still bear a large expense to administer the program.

The sponsor's goal is to "remove the cost incentive" for local governments while maintaining public safety. The red light camera provisions survived an amendment that

would have struck them from the bill. The Senate version of the DOT package does not currently contain the red light camera provisions.

FREIGHT LOGISTIC ZONES

By: Ericks Consultants

HB 3 by Rep. Ray, which would allow counties to create Freight Logistic Zones, passed the Transportation and Highway safety subcommittee after being amended. The bill requires that a strategic plan accompany the FLZ designation and spells out what is to be included in the plan. The bill also provides a list of considerations when awarding funding or incentives to projects located within a FLZ.

SOBER HOMES

By: Ericks Consultants

The Department of Children and Families testified in a Senate Health committee regarding the Department's Recovery Residence (i.e. Sober Home) study, which ultimately concluded the problem was a complicated and litigious one. Unfortunately, the study offered no legislative solutions and indicated an unwillingness to act. The FL Drug and Alcohol Association and sober home operators gave public comment to support DCF and claimed that sober home self-regulation was the best and only solution to problems associated with the topic. Sen. Clemens and Rep. Hager have filed legislation to bring oversight to sober homes. Their proposals, SB 582 and HB 479, would require the homes be licensed and registered through DCF and give DCF the ability to inspect the homes.

Patient Protection and Affordable Care Act

By: Corcoran and Johnston

On Thursday afternoon, the House Select Committee on Patient Protection and Affordable Care Act (PPACA) met and was provided updates on implementation of PPACA.

According to the Office of Insurance Regulation, the individual exchange in Florida has 11 carriers and premium increase will vary drastically depending on the benefits provided by the original plan. There is a 30%-40% average premium increase for individuals and a 5% - 30% increase for small groups.

The President's transitional policy announcement on November 14, 2013 which will have an effect on policies issued after March 23, 2010 and prior to October 1, 2013 and creates new a category of "Grandmothered Plans" renewed between January 1, 2014 and October 1, 2014 is expected to have a minimal impact on Florida because the state had a significant number of "grandfathered plans" unaffected by the transitional policy. Additionally, Florida already allowed "early renewals" for non-grandfathered plans and had a large uptake by consumers. There were set to be 370,000 individual policies scheduled to be cancelled but with the new transitional policy these cancellations only 40,000 cancellation notices were sent out.

Federal Issues

Federal Update: First Quarter 2014 Forecast

By: Becker & Poliakoff

Before the end of the year, Congress will have to pass two appropriations bills and raise the debt limit. Also on the legislative agenda will be the farm bill, comprehensive tax reform, major infrastructure bills, education laws, and restoring trade-negotiation mechanisms. We have put together a list by issue area on what we foresee will be the top Congressional issues for the first quarter of 2014 and beyond.

APPROPRIATIONS: Congress will immediately work on the appropriations bill for the current fiscal year upon their return, a task that was simplified by the passage of the budget agreement, H.J.Res. 59, at the end of last year. The deadline for the appropriations bill is January 15, when the current continuing resolution expires.

Another issue will be whether opposition to the health-care law will sink the passage of the Omnibus Appropriations bill that includes funding to run the agencies that implement the law.

Budget negotiators reduced the \$52 billion in sequestration cuts that had been scheduled for the Pentagon over the next two years. Instead of automatic cuts, Congress now has the power to decide how to apply the remaining required cuts. In the Senate, the Defense subcommittee wrote an appropriations bill at a \$516.4 billion discretionary level, not including war operations, while the House approved \$512.5 billion for the base budget. For the Pentagon's portion of the omnibus, they will need to agree on spending at an even lower level: \$498 billion.

DEBT LIMIT: Treasury Secretary Jacob Lew has said that his department can avoid default for about a month after the suspension of the debt ceiling ends on February 7. House Republicans will work on their debt-limit strategy during the party's retreat in Cambridge, Maryland, January 29-31. Part of their discussion will involve concessions they may seek to extract from the White House and Senate Democrats.

TAXES: House Ways and Means Chairman Dave Camp (R-MI) and Senate Finance Committee Chairman Max Baucus (D-MT) have planned to push ahead with efforts on comprehensive tax reform this year. That effort may be complicated by President Barack Obama's tapping of Senator Baucus to be Ambassador to China, since his probable successor on the Senate Finance Committee, Ron Wyden (D-OR), may have different views on the tax code reform.

Lawmakers may also consider retroactively extending some or all of the 55 tax breaks that expired at the end of last year.

Democrats from urban states are pushing especially hard for the extension of the \$245 a month tax break for mass-transit benefits. As of January 1, the mass transit deduction decreased to \$130-a-month, while parking benefit increased to \$250 a month. Sen. Charles Schumer (D-NY) has introduced S. 1882, which would set a monthly deduction of \$245 for both mass transit and parking. In the House, Delegate Eleanor Holmes Norton (D-DC) has introduced H.R. 3751, which would provide \$250 a month deduction for both mass transit and parking deductions for 2014. Republicans have said the mass transit deduction should be considered as part of a package of tax extenders.

Other tax breaks that expired include those dealing with deduction for state and local sales taxes, research and development, hiring veterans, wind power development, and racetrack construction.

ETHANOL: The Renewable Fuel Standard mandate requiring use of conventional ethanol would be removed under legislation that Senate Appropriations Energy and Water Subcommittee Chairwoman Dianne Feinstein (D-CA), said she is writing with Tom Coburn (R-OK). The draft bill would leave RFS advanced biofuel requirements; it requires 15 billion gallons of conventional corn ethanol and 21 billion gallons of advanced ethanol in the nation's motor fuel supply by 2022.

FARM BILL: Senate and House negotiators are hoping to announce an agreement early this month on H.R. 2642, a multi-year authorization of the farm bill. The latest extension of farm and food aid programs expired at the end of 2013. If Congress fails to act, the dairy program will revert to a 1949 statute that could, when fully implemented, result in a doubling of the wholesale price of milk.

WATER PROJECTS: Senate and House negotiators continue efforts to reach an agreement on WRDA bill, H.R. 3080. Before lawmakers left for the holiday break, outstanding issues that still had to be resolved included how to handle authorization of dredging, environmental restoration and flood control projects.

HIGHWAY BILL: Transportation committees will devote much of the year drafting legislation to reauthorize highway programs, which will expire at the end of fiscal 2014. One of the key issues is how to bridge the anticipated shortfall in the highway trust fund, which is currently supported by gasoline taxes.

Some solutions being considered include raising the 18.4 cent-per-gallon gas tax, which has not been increased since the Clinton years, or adopting a fee that takes in vehicle miles traveled, or reducing a tax advantage for drivers of hybrid vehicles and electric cars.

House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) has said finding a long-term funding solution is his main priority. To get the process started, Shuster's committee has scheduled a January 14 committee hearing.

FLOOD INSURANCE: Coastal state senators are planning to bring up legislation this month to prevent flood insurance rate increases. Sen. Mary Landrieu (D-LA) and Sen. Charles Schumer (D-NY) said they had assurances that Senate Majority Leader Harry Reid (D-NV) would file a cloture motion in "early January" to advance legislation, S. 1846, delaying scheduled rate changes for homeowners residing in flood zones in revised maps. Rep. Bill Cassidy (R-LA) has introduced a related measure, H.R. 3693, in the House.

TRADE: Senator Max Baucus (D-MT) and Rep. Dave Camp (R-MI) have been working on a joint framework for a fast-track bill, which would allow the President to negotiate trade deals that Congress would approve or reject on an up-or-down vote, without amendments.

MINIMUM WAGE: Senate Democrats say they will schedule action on legislation that would raise the federal minimum wage, which has been set at \$7.25 since 2009. Majority Whip Richard Durbin (D-IL) said his caucus overwhelmingly supports a shift to about \$10 an hour.

UNEMPLOYMENT INSURANCE: Republicans are insisting on offsets for the \$6.55 billion cost of temporarily reviving jobless benefits for the long-term unemployed, which expired December 28. The cloture vote passed on the Senate legislation providing for a three-month extension, S. 1845.

HIGHER EDUCATION: Lawmakers anticipate reauthorizing the Higher Education Act, a sweeping law that touches on student loans, federal grants and college accreditation. The Senate Health and Education, Labor and Pensions Committee and House Education and the Workforce Committee held a series of hearings last year to lay the groundwork for the legislation. Senate HELP Chairman Tom Harkin (D-IA) said he wants to unveil his version of the reauthorization in the "early part" of 2014. Senate Democrats have said they want to focus on federal aid received by for-profit schools and making colleges and universities partly responsible for student loan default rates.

Pell Grants will be the focus for Rep. Virginia Foxx (R-NC), chairwoman of the House Higher Education and Workforce Training Subcommittee.

IMMIGRATION: Speaker John Boehner (R-OH) has said he is sticking with a piecemeal approach to changing the immigration system. Bills to watch include H.R. 2131, providing more visas for highly-skilled immigrants, H.R. 1773 providing for more agricultural guest workers and yet-to-be-introduced legislation providing a path to citizenship for undocumented immigrants brought to the U.S. as minors.

The Senate passed a multi-faceted bill, S. 744, providing a path to citizenship for undocumented immigrants in addition to addressing worker visas and border security.

CONTRACTING: Rep. Darrell Issa (R-CA) is pushing to consolidate the military's suspension and debarment offices. His bill, H.R. 3345, also would restructure the system for identifying ineligibility for federal contracts and grants. The House Oversight and Government Reform Committee approved it on October 29.



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**Palm Beach County
Legislative Affairs**

301 North Olive Avenue
Suite 1101.4
West Palm Beach, FL
33405

**Todd J. Bonlarron
Director**

Phone
Office (561) 355-3451
Mobile (561) 310-7832

Fax
(561) 355-3982

E-mail
tbonlarr@pbcgov.com

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Fiscal Year 2014 Federal Appropriations

By: Alcalde & Faye

As we begin the second session of the 113th Congress, Congressional appropriators are closing in on an agreement that would fold all 12 of the pending Fiscal Year (FY) 2014 appropriations bills into a single \$ 1.012 trillion omnibus measure which will fund the Federal government through the remainder of FY 2014.

The clock is ticking, however, with House and Senate Appropriations Committee leadership having slightly more than a week to avoid another government shutdown by resolving any remaining policy and funding disputes in order to allow adequate time for passage in both chambers. The current Continuing Resolution (CR) expires January 15.

Despite the tight timeline, the four principal appropriators —Senate Appropriations Chairwoman Barbara Mikulski, (D-MD); Ranking Member Richard Shelby (R-AL); House Appropriations Chairman Harold Rogers (R-KY); and Ranking Member Nita Lowey (D-NY) – are expected to wait as long as possible to disclose final details (including provisional top line spending caps) of the omnibus with the hope that the delay will help shield the measure from criticism from those members opposing the bill because it increases spending above the caps set under the 2011 Budget Control Act.

Given this scenario however, Rogers, Mikulski, Lowey and Shelby appear to be doing everything in their power to complete work on the omnibus by the January deadline - even signaling the release of a draft bill as early as this Wednesday.

No final decisions have been made about specific timelines, floor procedures, or the legislative vehicle to be used to approve the spending bill; however, congressional aides are making good progress and expect the package to easily pass as leaders anticipate allowing few, if any, contentious riders or amendments.

We will continue to monitor congressional action closely and alert you to further developments. In the meantime, please contact us with any questions.

CHAIRMAN ROGERS FILES A SHORT-TERM CR AS OMNIBUS NEGOTIATIONS CONTINUE

House Appropriations Chairman Harold Rogers filed a "clean" three-day continuing resolution (CR) Friday that would keep the federal government open while allowing for extra time for leaders to complete a \$1.012 trillion omnibus that would fund agencies through Sept. 30.

According to House GOP appropriations committee staff, the short-term stopgap would last through the end of the day on Jan. 18. House Majority Leader Eric Cantor of Virginia said he expected to take up the stopgap bill. The current CR expires Jan. 15 and lawmakers must pass the omnibus or another stopgap measure in order to avert a government shutdown this week.

Meantime, Rogers indicated that negotiations with Senate Appropriations Chairwoman Barbara A. Mikulski and her staff will continue through the day on Friday and that he will stay in Washington this weekend to continue talks. Details of the short-term CR were not immediately released.

House Minority Whip Steny H. Hoyer said on the floor on Friday that because of the large gap between funding levels under the House-Senate budget agreement (H J Res 59) and the levels for discretionary spending that were set earlier for 2013 and 2014 he would want to see a larger negotiation if further CRs are needed beyond this week.