

# PBC Legislative Update



JUNE 13, 2015

VOLUME 8 NUMBER 13

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## **Special Legislative Session Update**

### **LOCAL NEWS**

#### **REMEMBERING OUR FRIEND AND COLLEAGUE CINDY DEFILIPPO**

Palm Beach County lost a treasured employee, Cindy DeFilippo, a top Commission aide to Palm Beach County commissioners, when she was killed Thursday night in a car accident in Savannah, Ga.

Cindy was in the Savannah area with her husband, Anthony, and visiting her father when her vehicle was struck by a truck.

She had decades of experience in Palm Beach County government, starting as a receptionist at age 18 then serving as a chief aide for former County Commissioner Karen Marcus and continuing her service with Commissioner Hal Valeche.

Cindy was a true friend to me and to the residents of Palm Beach County. Rarely did a week go by that I did not find myself in her office catching up on the events of District 1, talking about her children, discussing local politics or reflecting on what was going on in DC and Tallahassee. I along with the entire Palm Beach family will miss her dearly, but will always remember her infectious laugh and smile, her ability to navigate difficult issues, and her love for her husband and two children.

### **STATE ISSUES**

#### **BUDGET UPDATE**

*By: County Staff*

At the close of Conference meetings on Saturday morning (June 13<sup>th</sup>), several areas of the budget still remain open for discussion; however, many issues of importance to the county have already been closed out. Below is a summary of some of the issues we have been following during the special session:

**Ag & Natural Resources**

Water Projects	\$50,000,000 (total)
Proviso Language Pending on all Water Projects	
Beach & Inlet Funding	\$28,000,000 (total)
Proviso Language Pending on all Beach Projects	
Florida Recreation Development Assistance Grants (FRDAP)	\$ 5,491,500
<u>Proviso Language Pending</u>	

**Transportation and Economic Development**

Inland Port Road Infrastructure – South Bay Park of Commerce	\$ 470,900
City of Belle Glade Gateway Redevelopment Roadway Improvement	\$ 506,000
Glades Area Street Resurfacing / Reconstruction Phase	\$ 1,000,000
Lake Worth Park of Commerce	\$ 3,500,000
Village of Tequesta Transportation Alternatives	\$ 200,000
Broadway Corridor / 15 <sup>th</sup> Street / Riviera Beach	\$ 500,000
Small County Outreach Program – Rural Areas of Opportunity	\$ 9,000,000
Pahokee Marina Enhancements	\$ 1,000,000
Pahokee Marina – FEMA match	\$ 107,321
Cultural Endowment Grant Program	\$ 1,200,000
Cultural and Museum Grants	\$ 1,000,000 (total)
Palm Beach Opera	\$ 150,000
Cultural Facilities Grants	\$ 16,339,581 (total)
South Florida Science Center	\$ 425,000
Center for Creative Education	\$ 500,000
Cultural Council of PBC	\$ 500,000
Els Autism Foundation	\$ 500,000
Boynton Women’s Club – Repairs and Restoration	\$ 140,000
Norton Museum of Art	\$ 1,000,000
Affordable Housing	
SAIL Program	\$ 48,000,000
SHIP	\$101,000,000
Homeless Challenge Grants - recurring	\$ 4,000,000
State Aid to Libraries	\$ 24,449,440
Library Cooperatives	\$ 2,000,000
Scripps Florida	\$ 500,000
Transportation Disadvantaged Funding	\$52,783,704
Film Incentive Funding	\$ 0

**Criminal and Civil Justice**

4 <sup>th</sup> DCA Courthouse Construction	\$ 6,508,689
Office Equipment – State Attorney (15 <sup>th</sup> Judicial Circuit)	\$ 76,006
PILT – Sago Palm Facility	\$ 142,900
PILT – South Bay Correctional	\$ 275,560
Sago Palm Work Camp	\$ 1,473,375
South Bay Correctional	Pending
Prosecution of PIP Fraud	\$1,559,239

**Education**

Glades Career Readiness Roundtable/ West Tech	Pending
Max Planck	Pending
Palm Beach State College Loxahatchee Campus	Pending

FAU - Tech Runway	\$1,000,000
FAU - Biosciences Gateway-STEM	Pending
FAU - Medical School	Pending
FAU - Jupiter Research Building	Pending

### Health Care

Jerome Golden Center	\$ 575,000
Additional PACE Beds (All Inclusive Elderly Care)	\$ 1,500,000
Alzheimer's Community Care, Inc.	\$ 500,000
Palm Beach Habilitation Center for Mentally Disabled	\$ 649,111
Community Based Providers of Child Welfare (Risk Pool)	\$13,000,000
Florida Prescription Drug Monitoring	Pending
Recovery Residence Certification Funding	\$ 200,000

LIP, DSH and Rate Enhancement Hospital Funding \$1,721,595,242 (total)

Bethesda Memorial	\$ 4,654,973
Columbia Hospital	\$ 1,486,914
Delray Medical	\$ 798,017
Lakeside Hospital	\$ 2,204,440
Good Samaritan Medical	\$ 459,970
JFK Medical	\$ 6,865,206
Jupiter Medical	\$ 126,390
Palm Beach Gardens Medical	\$ 220,894
Palms West Hospital	\$ 4,245,469
St. Mary's Hospital	\$22,301,096
West Boca Medical	\$ 422,074
Wellington Regional Medical	\$ 1,958,232

### TAX CUT PACKAGE

*By: County Staff*

The House and Senate are close to an agreement on the tax reduction package. The Senate heard the bill on 2<sup>nd</sup> reading on Friday and plans to take up the measure for final passage on Monday.

The Senate bill cuts **\$429 million** worth of taxes next year and \$254 million in 2016-17. The lower amount in 2016-17 is because some of the tax breaks are for next year only.

The House had proposed a package that cut taxes \$299 million next year and \$436 million in 2016-17. In contrast, the Governor sought \$700 million in tax cuts and the House proposed \$690 million during the regular session.

The Senate bill includes the following:

- It cuts the communications services tax by 1.73 percent instead of the House's plan to phase in two 0.9 percent cuts over two years. This will cut cell phone and cable TV taxes by **\$226 million**, or a little less than \$20 per year per customer.
- It extends the Back to School Sales Tax Holiday to 10 days instead of three days as proposed by the House. Impact: **\$67 million**.
- It provides a full year of no sales taxes on college textbooks instead of only doing the holiday for one day prior to each college semester as the House proposed. Impact: **\$43 million**.
- The gun club membership fee tax break is the same as in the House proposal. Impact: **\$1.2 million**.
- New and expanded sales tax exemptions for agricultural items, including feed for aquatic organisms, irrigation equipment, costs of maintenance and repairs of irrigation and power farm equipment, stakes, and certain trailers, is the same as in the House proposal. Impact: **\$13.4 million**.
- The tax break on school concessions sold at sporting events and other school events is the same as in the House proposal. Impact: **\$1.7 million**
- The tax break on cars purchased by military veterans who were deployed overseas

is same as the House bill. Impact: **\$800,000.**

- The brownfields credit is expanded to **\$21 million** for one year to help get rid of the backlog of cleanup sites. That's an additional impact of **\$16.6 million** beyond existing credits.
- The tax break on research and development is increased to **\$23 million** for one year. That an additional impact of **\$14 million.**
- The insurance premium tax credit will no longer have to be recertified for businesses by the legislature every year so long as the Department of Economic Opportunity certifies that a business has increased its workforce by 600 employees to qualify for the credit. Impact: **\$4.6 million.**
- The Senate adds a two-year extension of the community contribution tax credit by including housing projects for people with "special needs" in addition to projects for low-income citizens. Impact: **\$49.8 million.**
- Enterprise Zone credits, which are set to expire in December, will be extended for three years for companies that have an economic development contract with the Department of Economic Opportunity. Impact: **\$1.4 million.** There are at least 34 businesses in the state eligible for these credits according to an estimate by the Office of Economic and Demographic Research, but not all of the eligible companies out there may have applied or been identified.
- Sales taxes on boat repairs will be limited to \$60,000, thus repairs of \$1 million or more will not be taxed beyond that amount. Impact: **\$5.5 million.**
- An exemption from the aviation fuel tax for fuel used by Florida colleges that teach aeronautics. Impact: **\$200,000.**

Gone from the most recent House proposed tax package are the following provisions:

- Reducing the tax on commercial building leases from 6 percent to 5.5 percent in 2016-17 for a cut of **\$106 million.**
- A tax exemption for machinery and equipment used for metal recycling for **\$900,000.**
- A one day "Local Business Saturday" tax free shopping day on the Saturday after Thanksgiving for items priced at \$1,000 or less (**\$40.3 million**).
- Equalization of the tax rate applied to apple and pear cider, which is now taxed as wine (**\$300,000**).

**Major Issues:** This bill cuts city and county property taxes by **\$28.9 million** and could be consider a local government mandate, which would require a two-thirds vote of the House and the Senate to pass.

**Fiscal Impact:** \$430 million

**Proposed Amendments:**

**#252976 by Hukill and Benacquisto (ADOPTED)** – Strike all moves up the implementation of the communications services tax cut from October to July 1, 2015; and it increases the appropriation for "special needs" community housing projects from 19.4 million to \$21.4 million for the next two years.

**#397090 by Hukill (ADOPTED)** – Amendment to the Amendment that requires communications companies to issue credits to customers by March 1, 2016 instead of December 31, 2015 when credits are due because customers terminated their contracts. It also removes customers' termination of contracts as a cause of action against the provider.

**#526436 by Hukill (ADOPTED)** – Amendment to the Amendment – Technical wording change regarding bills for communications services transactions.

Fiscal Year 2015-16 Estimated Fiscal Impacts (millions of \$)								
Issue	General Revenue		State Trust Funds		Local		Total	
	1st Yr	Recur.	1st Yr	Recur.	1st Yr	Recur.	1st Yr	Recur.
Communication Serv Tax: Rate Cut of 0.9% + 0.9% 2nd Yr Only	(78.4)	(117.6)	-	-	-	-	(78.4)	(117.6)
Sales Tax: Agriculture-related Exemptions	(10.3)	(11.0)	(*)	(*)	(2.1)	(2.4)	(12.4)	(13.4)
Sales Tax: Back-to-School Holiday	(36.0)	-	(*)	-	(8.0)	-	(44.0)	-
Sales Tax: College Textbooks Holidays	(20.4)	-	(*)	-	(4.7)	-	(25.1)	-
Sales Tax: Commercial Rent Rate Cut of 0.4% + 0.1% 2nd Yr Only	(39.1)	(94.0)	(*)	(*)	(5.1)	(12.1)	(44.2)	(106.1)
Sales Tax: Gun Club Membership Fees	(1.0)	(1.0)	(*)	(*)	(0.2)	(0.2)	(1.2)	(1.2)
Sales Tax: Motor Vehicles/Military Deployed Overseas	(0.7)	(0.7)	(*)	(*)	(0.1)	(0.1)	(0.8)	(0.8)
Sales Tax: Machinery/Equipment Used by Metal Recyclers	(0.7)	-	(*)	-	(0.2)	-	(0.9)	-
Sales Tax: Small Business Saturday Tax Holiday	(32.9)	-	(*)	-	(7.4)	-	(40.3)	-
Sales Tax: School Concessions	(1.5)	(1.5)	(*)	(*)	(0.2)	(0.2)	(1.7)	(1.7)
Corp Inc Tax: Brownfield Credits	(15.3)	(3.3)	-	-	-	-	(15.3)	(3.3)
Corp Inc Tax: Research & Development Credits	(2.4)	(3.3)	-	-	-	-	(2.4)	(3.3)
Ad Valorem: Deployed Service Members/ Exemption Update	-	-	-	-	(0.2)	(0.2)	(0.2)	(0.2)
Ad Valorem: Widows/Disabled	-	-	-	-	-	(41.3)	-	(41.3)
Ad Valorem: Homestead Denial Alternative	-	-	-	-	(5.3)	(5.3)	(5.3)	(5.3)
Aviation Fuel Tax: Higher Ed Reduction	(0.2)	(0.2)	-	-	-	-	(0.2)	(0.2)
Bev Tax: Pear Cider Tax Rate Reduction	(0.3)	(0.3)	-	-	-	-	(0.3)	(0.3)
Insurance Prem Tax: Title Insurance	-	(4.6)	-	-	-	-	-	(4.6)
Tax Holidays & Tax Rate Cuts: Appropriations	(0.45)	-	-	-	-	-	(0.45)	-
<b>FY 2015-16 Total</b>	<b>(239.7)</b>	<b>(237.5)</b>	<b>-</b>	<b>-</b>	<b>(33.5)</b>	<b>(61.8)</b>	<b>(273.2)</b>	<b>(299.3)</b>
<b>Non-recurring Impacts After FY 2015-16</b>	<b>Cash</b>		<b>Cash</b>		<b>Cash</b>		<b>Cash</b>	
Communication Serv Tax: Rate Cut of 0.9% + 0.9% 2nd Yr Only (FY 2016-17)	(119.1)	-	(*)	-	-	-	(119.1)	-
Sales Tax: Commercial Rent Rate Cut of 0.1% (FYs 2016-17)	(25.3)	-	(*)	-	(3.2)	-	(28.5)	-
Sales/Corporate: Community Contribution Tax Credits (FY 2016-17)	(13.3)	-	-	(*)	(1.4)	-	(14.7)	-
Sales Tax: Machinery/Equipment Used by Metal Recyclers (FY 2016-17)	(0.8)	-	-	-	(0.2)	-	(1.0)	-
<b>Bill Total</b>	<b>(398.2)</b>	<b>(237.5)</b>	<b>-</b>	<b>-</b>	<b>(38.3)</b>	<b>(61.8)</b>	<b>(436.5)</b>	<b>(299.3)</b>
* Impact less than \$50,000.								
(1) Ad valorem tax impacts assume current tax rates.								

**BILLS SIGNED BY THE GOVERNOR THIS WEEK**

**SOBER HOMES**  
By: County Staff

HB 21, sponsored by Reps. Hager and Harrell, instructs DCF to approve a credentialing entity to develop and administer a voluntary certification program, including background checks for recovery residence operators. The bill would require DCF to publish a list of certified residences on its website. The bill threads the needle between oversight and ADA/FHA protection laws. The legislation is based upon a California model that has made it through a court challenge. It would also regulate advertisement of sober home facilities.



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Commissioners**

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Mary Lou Berger, Vice Mayor  
Hal R. Valeche  
Paulette Burdick  
Steven L. Abrams  
Melissa McKinlay  
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**BASEBALL LOCAL BILL**

*By: County Staff*

HB 1213, sponsored by Rep. Lori Berman, reduces a boundary of the West Palm Beach Water Catchment Area. This bill helps move forward plans for a new two-team spring training facility on land that was a former landfill in the City of West Palm Beach.

**SCHOOL DISTRICT OF PALM BEACH COUNTY BUSINESS PARTNERSHIP PROGRAM**

*By: County Staff*

HB 1253, sponsored by Rep. Pat Rooney, establishes the School District of Palm Beach County Business Partnership Program. This bill removes the need for periodic renewal of the pilot program that was established by the Legislature in 2008. It would continue to allow schools in the unincorporated areas of Palm Beach County to recognize its business partners by displaying the names of the partners on school property. In return for having their names publicly displayed, the partners fund programs such as Project Graduation and extracurricular activities.

**OTHER ISSUES THIS WEEK**

**UBER**

*By: County Staff*

In a late amendment to a Senate budget proposal, there was an offer to preempt the regulation of Uber and other TNC companies by local governments while OPPAGA conducted a year study on DUI incidents. The measure was ultimately removed from consideration.

**DJJ DETENTION COSTS**

*By: County Staff*

A proposal to set the State and County Juvenile Justice cost share amount at counties (that are not fiscally constrained) paying 57% and the state paying 43% was offered during budget negotiations this past week. The House ultimately would not concur with this position effectively keep the issue unresolved until next session. However, one provision that was included in the budget is a measure that will force counties to pay the amount they are required to DJJ or risk having state revenue share dollars withheld from their monthly allocations.