

# PBC Legislative Update

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1. Federal Update

## **Week 4 - State Legislative Session**

### **State Issues**

#### **Redistricting**

*by: Ericks Consultants*

The Florida Senate passed out their State Senate and Congressional maps weeks ago and has been awaiting movement from the Florida House. The House passed their maps on Friday. Once the Senate votes on the House plan, the redistricting process will be complete from a legislative point-of-view. However, the plans are widely expected to draw multiple challenges from voting groups, and most elected officials agree that the plans will ultimately be settled by the Florida Supreme Court. The Court is charged with verifying the House and Senate plans while the Governor must sign off on the Congressional plan.

In other redistricting legal news, the 11<sup>th</sup> US Circuit Court of Appeals rejected a challenge to the Fair Districts Florida Amendment 6. Suit was brought by Congressman Mario Diaz-Balart and Congresswoman Corrine Brown to challenge the amendments as non-protective of minority districts.

#### **South Florida Regional Transit Authority**

*by: County Staff and Ericks Consultants*

This week both HB 1399 and SB 1566 moved through the House and Senate Transportation Committees respectively. Both bills had provisions that would change the makeup of the governing board of the Authority, cutting it to 7 members. 3 members would be county representatives, another 3 appointed by the Governor and the local voting representative from FDOT. SFRTA was successful in stripping these provisions but in different manners. The House version completely deleted all language regarding the board makeup and would allow current law to stand. The Senate bill was amended to allow for the Governor to make one more appointment to the board and move the FDOT representative into an ex-officio capacity.

#### **Gaming**

*by: Ericks Consultants, Corcoran, Johnston & Blair, and County Staff*

The House Business and Consumer Affairs Subcommittee finally scheduled a hearing on the Destination Resort Casino bill which would allow for Las Vegas style, convention center and entertainment complexes. The bill would create three permits in South Florida and move all regulatory oversight of gaming into a newly created Department of Gaming Control. The bill would also require a \$2 billion investment for any potential casino operator.

Public testimony came to a halt when Rep. Fresen moved to temporarily postpone the bill. Though the Chair informed him the Committee would not be

meeting again until the 2013 Legislative session and advised that this bill would not be taken up again during this Session or any Special Sessions this year, Rep, Fresen believed that postponement was the proper move for the bill.

### **Proportionate Fair Share Mitigation**

*by: Ericks Consultants*

County staff met again with Rep. Jose Diaz and Sen. Mike Bennett this week to discuss possible amendments aimed at addressing Proportionate Fair Share in pending DRI legislation. The language intends to clarify a developer is responsible for paying their proportionate share of road mitigation even if the road is currently at a failing level.

### **Water and Environment**

*by: Ericks Consultants*

HB 503, a bill that would streamline environmental permitting, underwent a number of changes. This bill was opposed by environmental groups in the past, but they have come to embrace the bill after multiple compromises.

The so called "reclaimed water bill" also passed through its last House committee stop after debate with environmentalists because the definition of wastewater was changed to say that it is not a water of the state. This is a contentious issue for environmentalists as they feel that any re-treated water should be considered property of the state for use and not made into a commodity. The sponsor said repeatedly that this was not the case.

HB 1103, a bill that would redefine public/private land in water submerged areas appears to be dead. Land owners argue that they pay certain taxes on land that is not considered theirs, but rather the state's because the land occasionally floods. The issue was contentious for environmental groups, but the bill sponsor, Tom Goodson, recently announced that the bill will take the form of a study.

### **Wage Theft**

*by: County Staff*

HB 609 by Rep. Goodson has passed through its first two committees of reference. 12-2 in Civil Justice and 11-4 in Community Affairs. It has one committee left, Judiciary, before going to the floor. SB 862 by Sen. Simmons, the companion bill passed 8-0 out of Community Affairs. It has two committee stops left, Judiciary and Governmental Operations. This legislation preempts local ordinances regarding wage theft.

### **Transportation**

*by: The Moya Group and County Staff*

HB 1399 by Rep. Brandes was heard in the House Transportation and Highway Safety Subcommittee this week. A Delete Everything Amendment was adopted to this bill which included the Palm Beach language regarding School Signage, as well as, Local Option Fuel Tax language. Rep. Ingram filed an amendment that would remove language in the House bill changing the structure of the SFRTA board, giving more control of the board to the Governor, and drastically shrinking local control of the board. The Secretary of the Department of Transportation testified against this amendment but the Committee via voice vote unanimously adopted the amendment to keep the SFRTA board structure in its current state. The bill was passed out of Committee unanimously.

Senate Bill 1866 by Senator Latvala relating to the Department of Transportation was heard Thursday afternoon in the Senate Transportation

Committee. Several Amendments were filed to the bill in this committee including Amendment #724824 regarding background checks for vehicles for hire drivers, and #395644 which includes our Local Option Fuel Tax language. This legislation was passed out of Committee unanimously.

### **Exemptions from Local Business Taxes**

*by: The Moya Group*

HB 361, Exemptions from Local Business Taxes, by Rep. Roberson was heard this week in the House Committee on Finance and Tax. This legislation exempts any individual who is licensed and operating as a real estate sales or broker associate under ch. 475, F.S., from having to pay a local business tax or obtain a local business tax receipt. They are not required to apply for this exemption. The bill was reported favorably without member dissent, although the League of Cities publicly opposed the bill. The bill will move to the House Business & Consumer Affairs Subcommittee.

### **Tangible Personal Property Tax Exemptions**

*by: The Moya Group*

This week in the House Finance and Tax Committee, HJR 1003, Tangible Personal Property Tax Exemptions by Rep. Eisnagle, was heard. The joint resolution proposes an amendment to the Florida Constitution that would allow the legislature to provide by general law that taxes on tangible personal property are not due unless the assessed value of the property exceeds a specified amount greater than \$25,000. There was significant member debate on this bill concerning issues about revenue for local governments. There seemed to be a general consensus among members that ad valorem on tangible assets is a misapplied and antiquated tax structure. If the amendment is approved by voters, certain persons owing ad valorem tax on tangible personal property could see a reduction in their taxes. The joint resolution was reported favorably, with Reps Berman, Randolph, Rogers, Thurston, and Rehwinkel-Vasilinda voting no. The joint resolution will move to the House Economic Affairs Committee. The implementing bill for the Resolution, HB 1005 was also passed out of Committee as a companion piece of legislation.

### **Additional Homestead Exemption**

*by: The Moya Group*

House Joint Resolution 1289, Additional Homestead Exemption by Rep. Brodeur, was heard in Wednesday's House Finance and Tax meeting. The joint resolution proposes an amendment to the Florida Constitution that, if approved by the voters and implemented by the legislature would allow individuals who establish a right to receive a homestead exemption under Article VII, section 6(a), to receive an additional homestead exemption for all non-school property taxes. This exemption is equal to 30 percent of the homestead property's just value in excess of \$75,000 but less than or equal to \$200,000, plus 15 percent of the homestead property's just value in excess of \$200,000 but less than or equal to \$400,000. There was significant member debate surrounding the issue of the negative fiscal impact to local governments. Cities and Counties stated their public opposition. The joint resolution was reported favorably with Reps Berman, Costello, Julian, Rogers, Moraitis, Randolph, Rehwinkel-Vasilinda, and Thurston voting no. The joint resolution will now move to the House Community & Military Affairs Subcommittee.

### **Property Tax Oversight**

*by: The Moya Group*

PCB FTC 12-01 was heard in Wednesday's House Finance and Tax Committee. The proposed bill clarifies ambiguous language, deletes obsolete statutory provisions, and eliminates unneeded reporting requirements in the property tax statutes. The bill also: Amends statutory requirements for scheduling value adjustment board hearings; Allows certain disabled veterans and other disabled persons to apply for property tax exemptions before they have received documentation from certain agencies of the federal government; Amends the current order that property tax exemptions are to be applied to require that the exemptions be applied in a manner that results in the lowest taxable value. The bill amends s 196.199(1), F.S., to provide that all property of the state and its political subdivisions and municipalities of this state, when used in conjunction with, or as an essential ancillary function of, an exempt or immune Federal, State or County facility, or property, shall be exempt from ad valorem taxation. The bill was reported favorably and will move to the House Floor.

### **Economic Development and Scripps**

*by: The Moya Group and County Staff*

PCB FTC 12-07 regarding Economic Development was heard in this week's House Committee on Finance and Tax. The bill contains several provisions designed to encourage economic development in Florida. These include: New Markets Development Program; Sales Tax Exemptions; Entertainment Industry Financial Incentive Program; Cigarette Tax Distributions; Enterprise Zones; and Corporate Income Tax Exemption. The bill increases the current corporate Income Tax Exemption from \$25,000 to \$50,000. This is projected to have a recurring negative impact to local governments of -\$13.2 million.

Additionally, Representatives Abruzzo, Berman, Rooney, and Moraitis discussed with Chair Precourt the inclusion of additional funding for Scripps Florida similar to language in the bill designed to steer \$3 million in additional funding to Burnham Institute. County staff prepared amendment language that he will consider when the bill moves to the floor of the House.

The bill was reported favorably without dissent and will move to the House Floor. The bill was filed as Committee Bill H 7087 on February 2nd.

### **Online Sales Tax**

*by: Ericks Consultants*

The Senate is moving to close the internet sales tax loophole and has filed a bill that would require online retailers to pay for transactions online. The bill is widely supported by the Florida Retail Federation. The measure, SB 7206, was submitted as a committee bill. Leadership has expressed a desire to cut taxes elsewhere so that it doesn't seem like a tax raise.

### **Personal Injury Protection**

*by: Ericks Consultants*

The Senate is taking a much different approach to dealing with the rising costs of motor vehicle insurance. The House would limit medical coverage to emergency rooms and only within 72 hours of the accident. The Senate bill keeps the current system intact and relies more on long forms for law enforcement reporting, limiting the types of treatment available for accident victims and allows for more examination of victims in court cases. The bill does not cap attorneys' fees, a provision sought by the insurance industry. The bill will likely be changed to include such language in the future, but the prospects in the Senate would be far less likely if such action were to occur.

### **Preference in Award of State Contracts**

*by: Corcoran, Johnston & Blair*

In Senate Community Affairs, SB 1460 by Sen. Simmons was heard, relating to Preference in Award of State Contracts. The bill creates a law opposing preference ordinances for local contractors in the bidding processes where state funds are involved. Currently, there are no laws on the books that govern whether a locality may grant special preference to a bidding contractor because the contractor is locally based. This bill was reported favorably.

### **Term Limits/Constitutional County Officers and County Commissioners**

*by: Corcoran, Johnston & Blair*

SJR 1070, relating to Term Limits/Constitutional County Officers and County Commissioners, by Sen. Ring, permits constituents of localities to decide on term limits for county commissioners. The bill received notable discussion by the Senate Community Affairs Committee. The committee received and agreed to an amendment to the resolution removing from the text of the bill an extension of its applicability to constitutional officers. The bill was reported out of committee favorably.

### **House Budget**

*by: Ericks Consultants*

The House is moving swiftly to approve its budget. You can find relevant information [here:](http://myfloridahouse.gov/Sections/Bills/billsdetail.aspx?BillId=49009)

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The House budget sheds about 4,700 state jobs, most of which are vacant. 1,400 of that amount are directly from the Department of Corrections which the legislature is looking to reduce because of dwindling populations of inmates. The House also would close the Jefferson County Correctional Institution which is the largest employer in the county. Opponents gave emotional testimony that the area will be devastated by the closing.

The budget also calls for college tuition increases, which the Governor opposes, and lower Medicaid reimbursements.

Meanwhile, the Senate has not yet released its allocations for the various committees, but an announcement is expected next week.

### **Beach Funding**

*by: Florida Shore and Shore Preservation Association*

We know where we stand in the House initially in terms of project funding. HB 5001, the House Appropriations bill, expected to be voted on mid-week, has just less than \$12 million for beach projects and \$5 million for staffing/operations of DEP's Bureau of Beaches and Coastal Systems. Proviso references the top seven projects, inlet management, and post-construction monitoring. One thing is a certainty, all seven beach projects cannot be fully funded along with monitoring and the statutory 10% for inlets with \$12 million.

### **Numeric Nutrient Criteria**

*by: County Staff*

HB 7051 by Rep. Matt Caldwell regarding Numeric Nutrient Criteria passed Friday on a vote of 118-0.

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Priscilla A. Taylor

**County Administrator**

Robert Weisman

**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

**We're on the Web!**  
www.pbcgov.com

**Local Bills**

*by: Corcoran, Johnston & Blair*

On Tuesday, the House Government Operations Committee heard House Bill 1301, relating to the City of West Palm Beach, by Rep. Abruzzo. During debate on the bill, Rep. Nelson voiced his concerns with the 8% interest rate and was more comfortable with a 7% interest rate. The bill was reported favorably.

Also in this Committee, HB 1325, related to the City of West Palm Beach, was also presented by Rep. Abruzzo and unanimously passed.

On Wednesday, the House Economic Affairs Committee heard HB 4175, relating to Palm Beach County. This bill would repeal a special act pertaining to animal control in Palm Beach County. There were no questions, debate, or public comments on the bill and it was unanimously passed.

**FEDERAL ISSUES**

**Federal Update**

*By: Becker and Poliakoff*

**THE HOUSE:** will take up bills requiring a study on how spending bills affect the economy and removing automatic inflation-related spending increases. The Pro-Growth Budgeting Act, H.R. 3582, will require the Congressional Budget Office to prepare an analysis for any major legislation and report on the effect that the legislation would have on the U.S. economy. The Baseline Reform Act, H.R. 3578, removes the assumed discretionary spending increases that the current-law baseline assumes each year for inflation.

House Republicans will also take up a bill repealing the healthcare law's long-term health program, which will draw opposition from House Democrats who want to give the program another chance, even though the Obama administration has admitted it is not a financially viable program.

**THE SENATE:** will hold a procedural vote on the Stop Trading on Congressional Knowledge (STOCK) Act, which will prevent members from benefitting financially from their access to non-public information.

Members of the House and Senate are also working on a compromise to extend the payroll tax holiday, unemployment insurance, and the doc fix beyond its February expiration.