Palm Beach County State Legislative Update

Committee Meetings – Week of October 7

Sam Garrison Formally Designated as Next House Speaker

House Republicans on Thursday, October 9, officially named Representative Sam Garrison of Fleming Island as the next Speaker of the Florida House, setting him up to lead the chamber for his final two-year term after the 2026 elections. During a designation ceremony at the Capitol, the 48-year-old attorney offered a forward-looking speech that mixed humility, historical reflection, and a warning to fellow Republicans — who currently hold a supermajority: not to grow complacent in power. Garrison called Florida "the envy of the nation," but reminded members that political dominance can fade. He pointed to history, noting that Democrats controlled the Florida House for 122 years before losing power in the mid-1990s, not only because of Republican ideas but also because of Democratic "infighting" and failure to connect with voters. "By any measure, Florida Republicans enjoy a success that our predecessors could have never dreamed of," he said, cautioning that "political successes bring their own set of challenges," including the risk of "complacency." Garrison urged lawmakers to do the "arduous work" of policymaking rather than rely on outside groups or settle for symbolic politics.

Florida Legislature Hosts Committee Meetings

This past committee week, the Florida Legislature convened for a series of committee meetings, focusing on presentations from cabinet members, state agency leaders, staff, and professional associations. While no legislation was debated, lawmakers gathered valuable insights on a variety of pressing issues. Below is a summary of the key topics discussed.

House Insurance & Banking Subcommittee

The House Insurance & Banking Subcommittee met Tuesday, October 7, to hear a panel discussion on the current and future use of Artificial Intelligence in the insurance industry.

Panellists included representatives from various organizations including the Department of Financial Services, American Property Casualty Insurance Association, FCCI Insurance Group, National Association of Mutual Insurance Companies, and TechNet.

The goal of the discussion was to better understand how AI is being used across the insurance sector and what regulatory considerations may be necessary as the technology evolves.

Panelists highlighted that while insurers have utilized various forms of AI for decades, the emergence of generative AI has been a “game-changer,” expanding applications from simple automation to more advanced predictive modeling and risk assessment. AI is now used in areas such as underwriting, fraud detection, claims processing, customer service, and marketing. Experts noted that these tools can improve efficiency, enhance risk management, and help offset workforce shortages by preserving institutional knowledge and increasing productivity as the population ages.

At the same time, panelists emphasized the importance of maintaining human oversight and building strong “guardrails” into AI systems to ensure compliance with Florida’s insurance code. They clarified that while AI assists in gathering and analyzing data, final decisions on claims and coverage remain human-driven. Fraud detection and workflow automation were identified as major areas of AI success, while fully autonomous or “agentic” decision-making systems are not yet relied upon for complex coverage determinations.

Consumer transparency and oversight emerged as key areas of concern. DFS officials reported that few consumer complaints mention AI, not because issues don’t exist, but because consumers are rarely aware when AI is used in their insurance decisions. Lawmakers discussed the need for clearer disclosure requirements and better communication with policyholders about how AI impacts underwriting or claim evaluations.

When it came to regulation, industry representatives urged lawmakers to recognize that existing statutes already govern insurer conduct, regardless of whether a decision is made by a person or an AI system. They recommended a targeted, sector-by-sector approach to policy rather than broad, one-size-fits-all legislation. Panelists pointed to examples from other states—such as Colorado, Utah, and Nebraska—where recent AI-related laws are being refined to balance innovation with consumer protection.

The hearing concluded with bipartisan agreement that AI offers both opportunities and challenges for Florida’s insurance market. Members expressed interest in pursuing greater transparency, ensuring consumer protection, and evaluating whether additional statutory guidance may be warranted. While no legislation was considered at this meeting, Chair Yeager described the session as an important step toward developing informed proposals for the 2026 Legislative Session as Florida continues to assess the role of AI in insurance regulation and consumer outcomes.

House Economic Infrastructure Subcommittee

The House Economic Infrastructure Subcommittee met Tuesday, October 7, to discuss broadband service expansion to rural, unserved, and underserved areas in Florida.

The presentation was provided by Florida Commerce and led by Leo Garcia, Assistant Deputy Secretary of Community Development and focused on an overview of various broadband programs in Florida.

The Broadband Opportunity Program has been awarded $363.9 million for 137 grants across 59 counties since 2022, with $79 million already disbursed, serving 38,032 locations and deploying 8,734 miles of fiber. The Multi-Purpose Community Facilities Program has provided $87 million for 29 grants in 17 counties, funding construction or improvements to buildings that give local communities access to broadband internet. The Digital Connectivity Technology Program has allocated $11 million for 15 grants in 25 counties to enhance digital connectivity through essential devices, equipment, and training. The Broadband Infrastructure Program has awarded $249 million for

74 grants across 47 counties, with $28 million disbursed, serving 1,211 locations and deploying 1,351 miles of fiber. Additionally, the Utility Relocation Reimbursement Grant Program provides $50 million annually to reimburse providers for relocation costs, funded by the Local Communication Services Tax. Florida Commerce launched the program on October 1, implemented emergency rulemaking, and is finalizing an online submission portal while temporarily accepting applications via email.

Regarding the Broadband Equity, Access, and Deployment (BEAD) Program, $1.1 billion has been allocated to serve over 102,000 remaining unserved and underserved locations. Recent federal guidelines, effective June 6, 2025, emphasized technology neutrality and minimum program costs in subgrantee selection, paused workforce and non-deployment spending, and required states to conduct a “Benefit of the Bargain” round of subgrantee selection within 90 days. The program has received 28 applicants and 1,065 applications totaling $1,093,282,023 in funding requests. Key next steps include the NTIA curing process from October 3, 2025, to January 1, 2026, followed by negotiations, signing agreements, and obtaining NEPA project approvals before construction can begin.

Senate Appropriations Committee

The Senate Committee on Appropriations met Wednesday, October 8, to hear a presentation on the Long-Range Financial Outlook, led by Amy Baker from the Office of Economic and Demographic Research.

In the second quarter of 2025, Florida’s real economic growth was ranked 30th in the nation, with a 3.3 percent annualized change, slightly below the national growth rate of 3.8 percent. Personal income growth, however, ranked 11th nationally at 6.7 percent, outpacing the U.S. average of 5.5 percent.

Florida’s labor market saw a 1.4 percent increase in jobs in covered employment in 2024-25, while total wages grew 4.5 percent, signaling sustained higher wage levels given Conference projections of annual wage growth at or above 3.8 percent. Florida’s population is expected to surpass 24 million in 2027 and approach 25 million by 2030, with an average annual growth rate of 1.23 percent between 2025 and 2030, significantly above the national average of 0.41 percent.

Documentary Stamp Tax collections rebounded in FY 2024-25 after a two-year decline, with modest growth projected through FY 2027-28 before slowing to 2.7 percent annually. Single-family building permits experienced a strong decline in FY 2024-25 (-7.7%) and are expected to decline further in FY 2025-26 (-9.0%) before returning to modest positive growth from FY 2026-27 onward. The housing market saw slowing existing home sales in 2023 and 2024, with the first five months of 2025 down approximately 6.2 percent compared to the prior year; the median sales price of single-family homes in May 2025 was 96.5 percent of its April 2024 peak, remaining below the national median by the widest margin since May 2020.

General revenue collections for FY 2024-25 exceeded expectations by $391.8 million (0.8 percent), prompting slight upward adjustments in estimates for FY 2025-26 through FY 2028-29, though none were considered materially significant. Total state reserves stand at nearly $15 billion, or 29.7 percent of the FY 2025-26 General Revenue estimate, with the Budget Stabilization Fund at its constitutional maximum. For FY 2026-27, projected General Revenue surplus is $3.77 billion after accounting for a $2.03 billion reserve, although nearly 70 percent of these funds are nonrecurring. Available funds are almost 10 percent higher than expected due to a higher balance forward from released contingency reserves and permanent redirects approved during the 2025 Legislative

Session, while projected expenditures are 2.6 percent lower than anticipated due to a reduced recurring base budget for FY 2026-27.

House Intergovernmental Affairs Subcommittee

The Intergovernmental Affairs Subcommittee met on Wednesday, October 8, to hold a panel discussion on impact fees.

Panelists included representatives from various organizations including the League of Cities, Florida Association of Counties, Florida Association of Community Developers, and Association of Builders and Contractors of Florida.

The panel highlighted the ongoing debate over the structure, purpose, and impact of impact fees, which are one-time charges imposed by local governments on developers to help pay for public infrastructure such as roads, schools, fire stations, and parks. These fees are intended to ensure that new development contributes to the cost of the infrastructure it requires, rather than shifting that burden to existing taxpayers.

Eric Poole of the Florida Association of Counties explained that impact fees must be kept in separate accounts and spent within five to eight years, generally in line with local capital improvement plans. He emphasized that the Dual Rational Nexus test requires governments to show both the need for and benefit from the improvements funded by the fees. Poole also described a growing preference for mobility fees, which focus on multimodal transportation investments such as sidewalks and transit rather than just roads.

Davin Suggs of the Florida Association of Counties noted that local governments must balance impact fees with other revenue sources like property and sales taxes to meet infrastructure demands. David Cruz of the League of Cities added that as Florida's population grows, cities and counties bear direct responsibility for providing infrastructure, and impact fees are a necessary but limited tool for doing so. He highlighted that some jurisdictions have not updated their fees for decades, leading to steep increases when adjustments finally occur. Although current law caps increases at 50%, governments can exceed that threshold under extraordinary circumstances. Only about half of Florida's cities collect impact fees, often because they lack new growth or rely on countywide systems. The median fee for a 2,500-square-foot single-family home in Florida is approximately $3,792, and Cruz noted that while fees are generally working as intended, the lack of inflation adjustments contributes to inconsistent application across jurisdictions.

Speakers also addressed the relationship between impact fees and housing affordability. Tyler Matthews of the Florida Association of Community Developers and J. Alton Lister of the Associated Builders & Contractors of Florida both emphasized the need for predictability and fairness in fee structures. Matthews cited House Bill 479 (2024) as an example of policy changes that have caused confusion, noting that some transportation fees have doubled or tripled in recent years, creating affordability concerns. He suggested that impact fees should alleviate current congestion rather than penalize future development. Lister argued that impact fees are not applied equitably across the state and sometimes exacerbate affordability challenges, with government regulations accounting for nearly a quarter of a new home's cost nationally and up to one-third in Florida. All panellists agreed that clear, transparent, and balanced approaches are essential to ensure impact fees remain effective without stifling growth.

During member questioning, Chair Jacques asked Matthews to elaborate on his proposed solutions. Matthews recommended either a temporary state cap on extraordinary circumstance fee increases or the creation of a statewide mobility fee framework that allows local flexibility while ensuring peer review and transparency. Jacques also asked how many counties do not collect impact fees, and Suggs confirmed that 33 of Florida's 67 counties currently do not. Representative Gerwig asked about the time frame for spending collected fees, which Poole said is typically five to eight years. She also asked about refunds, and Suggs noted that funds must directly benefit the developments that paid them, meaning refunds are rare in low-growth areas. Representative Black questioned who ultimately pays the fees; Poole explained that infrastructure costs are built into new home prices. Black also asked for data on mobility fees, and Cruz reported a median of $992.26 among 109 surveyed cities. Lister reiterated that regulatory costs significantly contribute to home prices, while Matthews explained that local fee structures can influence where developers choose to build., though Cruz did not have commercial data.

Vice Chair Griffitts commented that both political and market forces contribute to rising costs, advocating for greater housing density, fewer parking mandates, and deregulation to reduce sprawl. Representative Hodgers (R) confirmed the $3,792 figure applies to residential properties, though Cruz did not have commercial data. Representative Campbell raised concerns about manipulation in fee assessments, and Lister provided an example of a county that downgraded its level of service standard to redirect funds to other projects. Representative Kendall suggested more public-private partnerships to offset infrastructure costs, which Matthews supported as an effective approach when integrated with mobility planning. Representative Cobb asked whether impact fees can fund public safety complexes; Cruz confirmed they can finance new facilities such as fire stations and other long-term capital improvements. Ranking Member Daley concluded by emphasizing the need for predictability in costs and collaboration between developers and local governments to balance growth, affordability, and infrastructure investment.

Palm Beach County Day 2026

Save the date for Palm Beach County Day 2025! Join us in Tallahassee on Tuesday, January 13, and Wednesday, January 14, to advocate for our community.

Visit our website at <u>www.pbcgov.com/pbcdays!</u>