

**Charlotte County Board Of County Commissioners
Agenda Item Summary**

Item Number: R- 2

1 DEPARTMENT MAKING REQUEST

Administration

2 MEETING DATE

5/27/2014 9:00:00 AM

3 REQUESTED MOTION/ACTION

Staff will provide an overview of the 2014 state legislative session, discuss ongoing legislative issues, and seek feedback from the Board.

4 AGENDA

5 IS THIS ITEM BUDGETED (IF APPLICABLE) -

Budget Action

No action required.

Financial Impact Summary Statement

Detailed Analysis Attached -

Budget Officer-

6 BACKGROUND (Why is this Action Necessary, and What Action will be accomplished)

ATTACHMENTS:

Name:

Description:

Type:

[Charlotte County April 28 to May 2 Report \(00881886\).PDF](#)

State Legislative Session Overview

Cover
Memo

**Charlotte County
Session Week Nine Report
April 28-May 2, 2014**

The 2014 Legislative Session drew to a close late last Friday, a little before 11pm. The beginning of the week was consumed by last-minute budget negotiations between the Appropriations chairmen. Legislators received the budget Tuesday night, which kicked off the 72-hour cooling off period required by the Constitution and set legislators up for a late finish on Friday.

Please see below for highlights on the highest-priority bills. We have also included spreadsheets reflecting bill action as of Monday morning. A more in-depth report, including final bill action by the governor, will be delivered to you later this summer.

As a reminder, now that Session is over, **Gov. Scott** will have 15 days to act on a bill after the bill is presented to the governor. Bills will be sent to the governor in groups during the next few weeks. He has the ability to sign bills, veto bills or allow bills to become law without his signature. His line-item veto power only applies to the budget.

Tax Cuts

The House and Senate came to an agreement on the tax cut package that will deliver more than \$100 million in tax and fee cuts in addition to the \$395 million in vehicle fee cuts already signed into law by the governor. The bill was amended quite a bit in the waning hours and is now quite the grab bag of tax cuts, so you may want to look through the bill in its entirety. Among its provisions, **HB 5601** includes the following:

- Three Sales Tax Holidays (back-to-school, hurricane preparedness and energy-efficient appliances)
- Permanent sales tax exemption on child car seats and booster seats, as well as youth bicycle helmets
- Modernizes the definition of “prepaid calling arrangement” to broaden the exemption from state and local CST taxes
 - We were monitoring for potential decreases in the CST as a whole, but those changes were not included in the bill and did not pass this year.
- Tax swap on energy tax revenue sought by **Commissioner Putnam** to generate PECO funding
- Language simplifying the process for a local government to decrease or repeal its local business tax

Local Bill Calendar

The House took up and passed the local bill calendar in week eight, and the Senate followed suit last week. The bills are now on their way to the governor.

Charlotte County's local bill, **HB 929**, creates a compromise between the Department of Environmental Protection and the local property owners and creates a process to resolve issues arising from certain nonconforming private residential docks on sovereignty submerged lands.

Vacation Rentals

SB 356 relates to the regulation of the state's short-term vacation rental industry. Ultimately, the House put its version on the Senate bill and the Senate concurred (with **Sen. Galvano**, a Republican from Bradenton, voting in the negative.) As passed, the bill prevents local governments from banning vacation rentals outright or limiting the duration or frequency of rentals but has no effect on the implementation of ordinances controlling noise or other nuisances. Essentially, not much change from current law. The bill, which is the companion to **HB 307**, passed out of the House 90-27 and out of the Senate 32-2 and is on its way to the governor.

Florida Retirement System

Overhauls to the state's retirement system did not pass during Session. There were proposals (**SB 1114** and **HB 7181**) that sought to extend the vesting period in the pension plan from eight years to 10 years and change the default to the investment plan instead of the defined benefits pension. **SB 246** and **HB 7179** sought to revise the process by which insurance premium tax revenues must be used in municipal police and firefighter pension plans. In the end, the House and Senate could not agree on changes to the FRS and all of the bills died.

However, the budget conference resolved differences in the proposed FRS contribution rate increases that are the subject of **HB 5005**. The House and Senate also settled their differences on the retiree health insurance subsidy. The finalized employer contribution rate will be 1.26 percent, which is an increase from the current 1.2 percent. While the Required Employer Retirement Contribution Rates will change slightly, the proposals for Unfunded Actuarial Liability Contribution Rates are significant. Please see below:

Unfunded Actuarial Liability Contribution Rates:

- Regular Class: 2.54% (up from 2.19%)
- Special Risk Class: 7.51% (up from 6.83%)
- Special Risk Administrative Support Class: 36.59% (up from 30.56%)
- Elected Officers (i.e.--legislators, cabinet members, state attorneys, public defenders): 38.66% (up from 24.85%)
- Elected Officers Class (Justices, judges): 21.77% (up from 17%)
- Elected Officers' Class (County Elected Officers): 33.58% (up from 23.36%)
- Senior Management Service Class: 15.04% (up from 12.27 %)
- DROP: 6.72% (down from 7.01%)

Economic Development

Impact Fee Exemption and Rural Areas of Opportunity

HB 7023 is an economic development package that as passed the House originally, contained a provision that could have exempted certain small, new developments from paying local transportation concurrency or impact fees. This language was taken out in the Senate and the House concurred.

The bill does grant a two-year extension on the expiration dates of permits issued by DEP or water management districts, local government-issued development orders or building permits including certificates of levels of service. This would apply to permits that have an expiration date from January 1, 2014 through January 1, 2016. The bill contains several other provisions, including the rebranding of “rural areas of critical economic concern” to “rural areas of opportunity.” There is also a change to the Rural Job Tax Credit Program that provides a tax refund of up to 50 percent of the amount of sales tax on purchases of electricity paid by certain eligible businesses.

The bill passed out of both chambers unanimously last week and will head to the governor.

Sports Tax Breaks

The House and Senate floated different proposals throughout Session relating to the establishment of the Professional Sports Facility Incentive Program process to provide state funding to professional sports facilities. **HB 7095** passed both chambers (35-3 in the Senate and 89-27 in the House) and will head to the governor.

The enrolled bill includes language relating to spring training including reducing the number of years a team must commit and allowing for multiple team facilities to obtain additional distributions. For the 2014-15 fiscal year, \$7 million in sales tax rebates may be given out to all facilities. The cap will increase to \$13 million per year beginning in the 2015-16 fiscal year.

Special Needs Registry

The Alzheimer's disease bills that would create a statewide special needs registry passed the Legislature and are on their way to the governor. **HB 709** passed both chambers unanimously. The companion bill was **SB 872**.

Homelessness Grants and Affordable Housing

HB 979 allows challenge grants to be developed for homelessness programs. The funding source in the House bill is subject to a Legislative appropriation, which is \$4 million in this year's budget. When the bill made it to the Senate, an amendment was filed to change that to the dedicated funding source found in the original Senate bill, but that amendment was ultimately withdrawn. The bill passed out of both chambers unanimously and is on its way to the governor.

This year, the Legislature appropriated \$100 million in State Housing Initiatives Partnership (SHIP) funding. The funding breakdowns are as follows:

- \$250,000 for compliance monitoring
- \$5,000,000 for disaster relief holdback
- \$4,000,000 for homeless funding
- The remaining funds will be split among county and city shares.
 - Charlotte County Total: \$772,442
 - County Share: \$691,799
 - City of Punta Gorda Share: \$80,643

Nicotine Dispensing Devices

SB 224 will ban the sales of nicotine dispensing devices to minors. An amendment in the Senate created a noncriminal penalty for violators under the age of 18 who possess or purchase nicotine products or the related dispensing devices. The penalty could range from \$25 to suspension or revocation of person's driver license. This is the companion bill to **HB 169** that formerly included language that would have preempted local regulations, but those provisions were ultimately removed before passage by the House. The bill passed out of both chambers unanimously last week and will be sent to the governor.

Flood Insurance

The House and Senate clashed over flood insurance reform throughout Session but ultimately came to an agreement. **SB 542** seeks to entice more private companies to offer flood insurance in Florida. **SB 542** passed out of the House 98-11 and was sent back to the Senate where it passed 30-3. The bill is on its way to the governor.

The bill creates four types of coverage: standard, preferred, customized and supplemental. The original Senate bill sought to allow companies to offer coverage on only the outstanding balance of a mortgage, but the bill was ultimately amended to include a provision favored in the House requiring companies to cover the full replacement cost of a home. The bill also precludes Citizens Property Insurance Corp. and the Florida Hurricane Catastrophe Fund from moving into the market for private flood insurance.

There is a linked bill that would create public records and public meetings exemptions for certain information relating to flood loss models. **SB 1262** passed both chambers and is on its way to the governor.

At the federal level, **Reps. Dennis Ross** and **Patrick Murphy**, (both R-FL) introduced **H.R. 4558**, which is known as the Flood Insurance Market Parity and Modernization Act. This legislation seeks to streamline the process for private companies to begin offering, and states to begin regulating, non-NFIP flood insurance coverage options.

Transportation Bills

HB 1161 contains several provisions relating to outdoor advertising. The bill passed both chambers unanimously and is on its way to the governor.

HB 7005 is another transportation train bill. The bill includes provisions relating to autonomous vehicle testing and allows research organizations associated with accredited educational institutions to test the vehicles.

The bill was amended to include language relating to the designation of port district roads and funding for the Intermodal Logistics Center Infrastructure Support Program. Beginning in fiscal year 2014-15, at least \$5 million per year will be made available for the program and it will sunset in 2020.

Another amendment that was adopted states that a bus may not stop to load or unload passengers in a manner that impedes the flow of traffic if there is another reasonable means for the bus to stop parallel to the travel lane to load and unload passengers. This does not apply to a school bus.

The bill also included language requiring a county or municipality to respond to a request by a county or municipality to which it provides, by agreement, traffic signal or traffic control device services within 60 days after receiving such a request regarding the evaluation, installation, operation, or maintenance of such traffic signals or other traffic control devices. **HB 7005** will be sent to the governor.

SB 218 is a transportation bill that, among its provisions, allows FDOT to spend money to maintain local government roads which are access points to state parks. This is the language we worked to add. Another portion of the bill creates a process for the disposal of personal property found on a public transportation system. **SB 218** passed out of both chambers unanimously and is on its way to the governor.

HB 7175 includes language authorizing DOT to fund strategic airport investment projects at up to 100 percent of the project cost if it meets certain criteria specified in the bill. Some of the criteria relate to an intermodal transportation system for the state and maximizing opportunities in international trade logistics. The bill passed out of both chambers unanimously and will head to the governor.

Reclaimed Water

SB 536 is on its way to the governor after passing out of both chambers unanimously. The bill creates a study on expanding the use of reclaimed water, including storm water and excess surface water. This was the companion to **HB 601**.

Brownfields

HB 325 specifies procedures for the designation of a brownfield area. Additionally, a local government that designates a brownfield area can choose a term or name for the area and is not required to use "brownfield area." The bill passed out of both chambers unanimously and is on its way to the governor. The companion bill was **SB 586**.

Fuel Terminals

SB 1070, relating to fuel terminals, passed out of the Senate unanimously and out of the House 112-5. The bill defines fuel terminals and prohibits local governments from declaring them a nonconforming use in the future and allows fuel terminals to rebuild to their existing capacity after a natural disaster. The bill, which is the companion to **HB 947**, is now on its way to the governor.

Energy

HB 7147 relates to the energy-related duties and functions of DACS and was amended during the committee process to include language from the annual building construction package. The bill passed out of both chambers last week and will head to the governor.

Government Ethics

SB 846 is the government ethics package. The House amended the Senate bill and took out some of its original provisions. The bill still contains several ethics reforms, including requiring those who lobby water management districts to register with the district prior to lobbying. We worked to create an amendment, which was adopted, that incorporates the existing rules of the Ethics Commission regarding executive branch lobbying. They have several rules which clarify that the daily activities of seeking permits, participating in rulemaking, workshops, etc. do not constitute lobbying and do not require registration.

The bill bounced between the chambers and passed unanimously and will be sent to the governor.

Bills That Died

Health Care Train Bills-DIED

The Legislature adjourned sine die on Friday night without passing several healthcare priorities, including trauma centers, telehealth, changes to the Prescription Drug Monitoring Program and a crisis stabilization database to collect data for future reforms. These provisions were included in two bills, **HB 7105** and **HB 7113**, that picked up additional topics and became omnibus train bills. Ultimately, the House and Senate could not agree on the language and the bills died.

While substantive changes to the Prescription Drug Monitoring Program failed to pass, **Attorney General Bondi** announced her office will underwrite the Prescription Drug Monitoring Program for the next four years by using \$2 million from a settlement with

Caremark. Most importantly, the threatened pain clinic preemption amendment never was filed. We worked hard to let everyone know how unwelcome it would be.

Land Application of Septage-DIED

Bills that sought to delay the prohibition on land application of septage did not pass. The bill also directed DEP to complete a report on options for disposing or reusing septage. **SB 1160** passed out of the Senate last week, but the House never picked it up from messages. The House bill, **HB 1113**, passed all of its committees but died on the second reading calendar.

Springs-DIED

Comprehensive reforms for Florida's springs failed to make it past the finish line this Session. **SB 1576**, passed out of the Senate unanimously during the last week of Session, but the House never picked it up. Its House companion, **HB 1313**, never advanced through the committee process. We expect comprehensive water policy to be a priority next year under the new leadership team of **Speaker-Designate Crisafulli** and **President-Designate Gardiner** (R-Orlando).