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April 13-17, Seventh Week of Session

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SB 2518 by Sen. Altman, relating to tax on transient rentals, was heard in the Senate Finance and Tax Committee this week. The bill requires online travel companies (OTCs) to collect and remit the state and local government tax due on the rent collected by the hotel. The bill excludes the amnesty clause included in SB 1970 by Sen. Lynn and HB 579 by Rep. Long, and includes specific legislative intent language that the changes made have no retroactive application to pending issues regarding the application of Florida law. The bill passed 4-1, with only Sen. Bennett opposing.

All of these bills have several additional committee references, and are not expected to move forward. However, the Lobby Team continues to work to educate members on the issue and related potential revenue implications, and to make the provision a factor in the budget conference.

Juvenile Justice

SB 654, the companion to HB 173 by Rep. Adams, which expands pre-adjudicatory secure detention, as well as judicial discretion in sentencing youth, was heard in its first committee of reference, Criminal Justice. Opponents of the bill, including the Southern Poverty Law Center's Youth Initiatives and the Public Defender's Association, spoke about the bill's deviation from national best-practices for detention alternatives. After a number of questions with respect to the Department of Juvenile Justice's position on the bill, a committee member asked that Secretary Peterman be called before the Committee prior to a vote. The bill was then temporarily postponed and rescheduled for a hearing next week. Staff continues visiting with Committee members to discuss fiscal impact and policy implications of the bill.

Budget Issues

The House Appropriations include the following deviations from Senate positions, ensuring they will be part of the conference issues taken up next week. Below are line item highlights of programs of interest to or affecting Broward County:

- Children's Substance Abuse programs are funded at a level of \$3.1M less than the Senate
- Community Substance Abuse is almost \$11M less than the Senate's position and will be a significant hardship to an already struggling behavioral health support system in Broward County
- The House's position on Mental Health and Substance Abuse Local Match is at \$3M vs. the Senate's \$1M. This grant program offers wrap-around social safety net services to offenders at a significant cost-savings to the State. Broward County is a recipient of these grant funds (three-year grant called *Freedom House*, offering jail diversion and community-based behavioral health and supportive housing for offenders with mental illness)
- The House position for Community Care for the Elderly is \$4,394,783 more than the Senate's position, which would mean additional job losses for Broward County employees who provide CCE services (four jobs were lost after last session's 14% cut)
- The House's reduction in the County Health Units by \$8.4M will have a devastating statewide impact, as will the loss of \$2,121,092 in Children's Medical Services
- The House's \$22M cut over the Senate's position in the Quick Action

Closing fund, is problematic for Economic Development efforts

- The House is planning to further reduce the Library Grants-in-Aid, causing impediments to library operations in Broward County
- The House's proposed complete elimination of SHIP (supportive housing funds) would cause immediate and dramatic effects to Broward County's operations. Broward County manages the SHIP funding programs, so the impact of the House position would be immediate and result in possible lay-offs of five staff members. Broward current year SHIP budget is \$4,197,309. This program funds:
 - \$318,619 in Foreclosure Assistance
 - \$809,652 in creating Barrier Free Homes for the Handicapped
 - \$2,363,456 in low/moderate income home repair
 - \$959,240 for multifamily new construction

Autism License Plate

HB 239/SB 642, the Autism License Plate legislation, creates a license plate for those willing to pay an additional \$25 tag renewal fee. The fees would be used to create an Achievement Center to establish an Autism Services Grant Council to provide grants to nonprofit organizations for direct services; and an Autism License Plate Fund to provide funds to the Grant Council. SB 642 successfully passed its last committee of reference in Health and Human Services Appropriations this week. The House bill still has a last stop, but the Senate bill may hit the floor next week.

Rental Property Assessments/Homestead Exemption

SB 532 proposes an amendment to sections 4 and 6, Article VII, of the State Constitution. The amendment would create an additional homestead exemption for first-time homebuyers. It would also limit increases in rental property assessment to the greater of 5% or the annual average percentage of growth in

revenues derived from the property during the preceding three years if ownership of the property has not changed. This joint resolution will require approval by a 3/5 vote of the membership of each house of the Legislature.

The bill passed favorably out of the Senate Finance and Tax Committee, with one amendment to the bill. This amendment created the limitation for commercial or residential rental property to 5% or the annual average percentage of growth in revenues derived from the property during the preceding three years if ownership of the property has not changed. It also provided that the Legislature shall provide an additional homestead exemption for people who establish the right to receive a homestead exemption within one year of the purchase and have not owned a principal residence for the 10 years preceding the purchase. The bill has three more committees of reference. The companion, HB 97, is available on the House floor.

Florida Forever

Earlier this week, there were grave concerns that the Florida Forever program would not be funded at all this year. However, Sen. Lawson and Sen. Gelber sponsored a provision that passed the Senate Finance and Tax Committee today which would close a real estate tax loophole and provide an initially estimated \$10 million in revenues to fund Florida Forever programs in FY09-10. The provision was amended onto the bill which renews Miami-Dade's affordable housing surtax, and would close the "crescent loophole" which allowed developers to evade paying doc stamp charges on certain real estate transfers. The provision is positioned to be considered as a budget conference issue.

SunRail Bill Postponed

The Senate Transportation and Economic Development Appropriations Committee began consideration of CS/CS/SB 1212 (known as the SunRail Bill) by Sen. Constantine, on Wednesday but could not finish its work. Opponents filed numerous amendments to the bill and exercised certain procedures to delay. Many of these amendments were either

defeated or not heard because of procedural deficiencies. Over 70 persons signed up to speak on the bill and Committee Chairman, Sen. Fasano, indicated all persons desiring to speak would be heard.

Before time ran out, the committee adopted a strike-all amendment by Sens. Gardiner and Diaz de la Portilla which included a new, local-option \$2 rental car surcharge. The surcharge would be imposed by a supermajority vote of the County Commission, with the proceeds deposited into a separate account created by supermajority vote of the Commission. The funds could only be used to fund the transportation needs of the county. The County Commission would then be required to place a question before voters at the next general election following the Commission's vote imposing the surcharge in order to give voters the opportunity to approve or reject the new rental car surcharge. The Committee is scheduled to meet at 1:00 PM on Monday, April 20th, to hear testimony and take a final vote on the bill. The bill is expected to pass.

Prescription Drug Tracking

Sen. Fasano's legislation, SB 462, to develop an electronic monitoring system for prescription drugs, passed its final committee of reference in the Senate. After a series of news stories on the prevalence of unregulated Pain Management Clinics in South Florida and the proliferation of Oxycontin and Oxycodone prescriptions traced back to these clinics, the bill has received bi-partisan support. On the House side, several bills have been filed dealing with prescription monitoring; however, it remains unclear which version will emerge as the companion to SB 462.

Traffic Infraction Surcharge

The County's traffic infraction surcharge proposal this week moved closer to possible passage this Session in the House and Senate. CS/CS/SB 2108 addresses the budget of the clerks of court and makes significant changes to facilitate the transition from clerks budgeting processes to legislative appropriations. During the bill's consideration before the full Senate on Thursday, Senators approved an amendment

offered by Sen. Pruitt which included the County's increase to the traffic infraction surcharge from \$15 to \$30. In addition, the amendment also creates a new surcharge that can be used for repaying bonds issued to construct new court facilities and related improvements. However, as drafted, the County will not be able to impose both surcharges concurrently as originally sought.

CS/CS/SB 2108 passed the full Senate, was immediately certified to the House and is now awaiting House action. Senators Ring, Smith, and Rich were instrumental in garnering support for the County's amendment. In addition, Rep. Bogdanoff successfully sponsored an amendment that included the traffic infraction surcharge increase as part of her bill, HB 1121, the House companion measure to CS/CS/SB 2108. It was approved by the Criminal and Civil Justice Appropriations Committee as a committee substitute on Monday. CS/HB 1121 is presently subject to review for committee references. The prior bill version had three remaining committee stops, including a committee that is no longer meeting. Nevertheless, even if Rep. Bogdanoff's bill moves no further, the House can still consider and pass CS/CS/SB 2108.

Impact Fee Burden of Proof Passes House

CS/CS/HB 227 by Rep. Aubuchon passed the House of Representatives today on a 92-26 vote. As passed, in actions challenging impact fees, the burden will now be on the government to prove by a preponderance of evidence that the impact fee amount meets the requirements of state law. In addition, courts cannot apply a deferential standard.

Moreover, the bill imposes a two-year moratorium on impact fees. Specifically, local governments may not increase existing impact fees or impose new impact fees. The moratorium, however, does not affect increases in impact fees pledged to retire debt, or increases in previously enacted impact fees that are phased-in over time or subject to a CPI index or other annual escalator. The moratorium is repealed on July 1, 2011.