

Broward SLI

State Legislative Information

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Interim Committee Weeks 3, 4, 5 - 2015 Session

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Port Everglades Action Team Goes to Tallahassee

On Wednesday, February 4th, Mayor Tim Ryan and Commissioner Chip LaMarca led the Port Everglades Action Team (PEAT) to advocate on behalf of Port Everglades in Tallahassee. PEAT is comprised of business leaders from around Broward County including the Greater Fort Lauderdale Alliance, the Greater Fort Lauderdale Chamber of Commerce, the Broward Workshop, and the Port Everglades Association. Over the course of a single day, the County orchestrated 36 meetings with committee chairs, state legislators, and executive branch officials.

Each meeting started with an introduction by Port Director Steve Cernak and Assistant Port Director David Anderton updating members and staff on the progression of the deepening and widening project. Members of the PEAT team advocated for an increase the Florida Seaport Transportation and Economic Development (FSTED) budget from \$15 million to \$25 million. The FSTED Program is managed by the Florida Seaport Transportation and Economic Development Council, which consists of the fifteen deep water port directors, the executive director of DEO, and the FDOT Secretary, or their designee. The FSTED Council annually solicits and approves project applications submitted by each of the individual seaports.

PEAT targeted Executive Branch leaders, House and Senate legislators, members sitting on the House and Senate Transportation and Economic Development Appropriations Committees and the Broward Legislative Delegation members – all of whom agreed with the need to increase the FSTED budget. Mayor Ryan met with House and Senate Appropriations Chairs, Rep. Richard Corcoran and Sen. Tom Lee respectively. The Intergovernmental staff will continue to monitor the progress on this important legislative issue.

Property Appraisers Aim to Codify DCA Ruling

On Tuesday, February 3rd, the Senate Community Affairs Committee heard SB 266 – Property Appraisers, which would codify the recent DCA ruling on litigation between Broward County Board of County Commissioners and the Broward County Property Appraiser. Essentially, the bill would make a Property Appraiser's budget final once the Department of Revenue (DOR) has made its final round of amendments and corrections and requires the board of county commissioners to fund the budget pursuant to the final actions of DOR. While the bill passed the committee, staff is attempting to offer changes to the law which would allow for a more reasonable appeals process for both counties and property appraisers. The companion measure, HB – 213 subsequently passed the

House Finance and Tax Committee unanimously.

Enterprise Zones Reauthorization Under a Microscope

As Enterprise Zones are due to sunset, stakeholders including cities, counties, and local organizations are pushing for reauthorization to the program. The Florida Association of Counties (FAC) and the Florida League of Cities have pressed different ideas to various committees in both chambers, but Senate leaders are worried the program does not offer adequate return on investment to justify perpetuating the program. Stakeholders continue to look for ways to make changes to the program, such as lowering the threshold cost of \$5,000 on business machinery and equipment, expanding capital investment credits, and creating job training credits. Critics of the program point to a few studies questioning their value as job creating incentives. Communication through FAC and other stakeholders has made it clear there is a strong interest in allowing the program to sunset.

Film and Entertainment Incentives Work Shopped in the House

Entertainment representatives made the industry's case for tax incentives during the February 11th meeting of the House Committee on Finance and Tax. A panel of industry representatives attended the workshop to advocate for incentives and counter a less than supportive report by the Office of Economic and Demographic Research (EDR). The EDR study indicated the state program that provided \$296 million in tax credits to TV, film and other productions over the last four years did not break even with respect to state revenues. The report also found that majority of the 29,023 Floridians hired by productions receiving credits were part-time extras or stand-ins in TV or film projects. It is important to note that EDR acknowledged their current return on investment model is very limited in scope and not advanced enough to value complex industries like film and entertainment. Industry representatives insisted the report does not accurately capture the business being lost to other states that have competitive incentive programs. They also pointed to the 2013-2014 Office of Film and Entertainment Annual Report citing industry jobs average of \$70,000. Among the proponents were reputable economists who informed the committee that the economic impact of production spending and film tourism in 2014 generated at least \$5 in taxes for every \$1 of credit issued. Incentive proponents encouraged the Legislature to adequately fund the Entertainment Industry Financial Incentive Program. Traditionally, the program reimburses productions with transferrable tax credits based on the amount of Florida-based sales made and wages during production.

In the House, HB 451 – Entertainment Industry Tax Incentive Program has been filed by Rep. Mike Miller but the bill was not officially heard during the committee meeting. Similar legislation has not yet been filed in the Senate.

Department of Environmental Protection (DEP) Releases Beach and Inlet Funding Request Ranking List

DEP has published the FY 2015-2016 Local Government Funding Requests for the Beach Management Funding Assistance Program. The DEP list includes 45 individual projects and over \$91 million worth of project need. Broward County Shore Protection Project/Segment III is the sixth ranked project and lands \$15.7 million down the

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cumulative state total. At \$50.4 million down the list, Broward County Shore Protection Project/Segment II ranks 21. DEP's program also includes ranking for bypass and inlet management projects. Twelve projects were submitted totaling a \$9.8 million worth of project need. Port Everglades IMP Implementation ranks fifth and \$7.4 million down the list. Last year, the Legislature appropriated \$47.3 million for the beach and inlet program.

Juvenile Justice Cost-Share Discussed

The Senate Criminal and Civil Justice Appropriations, Chair Joe Negron warned that if counties were not paying bills owed to the Department of Juvenile Justice, then he would find a way to make \$65 million in reductions. The Chair did add a caveat that counties have been improperly billed and the Department needs to get its accounting "in order" and come up with a different billing system. He has tasked Sen. Rob Bradley, last year's committee chair, who ran the 50/50 cost share bill, with coming up with a compromise.

Staff is working with the Florida Association of Counties to come up with alternatives to the current system and seek aggressive repayment schedules from the state for improperly billed and paid cost-share amounts. Initial meetings took place this week with Bradley and Representative Larry Metz. Refer to the February 26th Legislative Alert about the filing of SB 1414 which splits the cost share responsibility between the state and counties – 40% state and 60% counties.

Communications Services Tax Reduction Bill Holds Counties Harmless

The Senate Communications, Energy, and Public Communications unanimously passed a SB 110 which would lower the state's tax rate on communications services. The bill lowers the tax rate by 3.6 percent. The bill is a priority of Governor Rick Scott, and while his budget plan included the tax cut it also exempted counties from taking a hit due to the lower tax rate.

Water Policy Reform Bills Move

In the House, a controversial water policy bill is positioned to reach the floor in the coming weeks while the Senate companion was recently filed.

HB 7003, relating to water resources, makes several revisions to the Florida's management of water quality and quantity. The bill will replace permitted limits on the amount of phosphorous a landowner in the Okeechobee Lake area may discharge with general targeted amounts. While the bill calls on landowners to implement best management practices, critics contend that replacing strict limits makes enforcement extremely difficult. Critics are also concerned the bill asks the state to pay half the cost of implementing the techniques, while no cost estimate is provided and funding availability is unclear.

HB 7003 removes the phosphorous permit limit authority under the South Florida Water Management District and shifts oversight to the Florida Department of Agriculture and Consumer Services (DACCS). Critics are concerned that DACCS does not have the capacity to monitor millions of acres with eight staffers. The bill also creates some state action plans for impaired springs. On February 19th, HB 7003 cleared its lone committee of reference.

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In the Senate, SB 918 Relating to Environmental Resources was filed on February 13, 2015. The bill has some similar less controversial language included in the house bill. However, it does not include the loosening of phosphorous permitting language. Notably, the bill creates the Florida Water Resources Advisory Council to make annual water project recommendations to the Legislature. The Council will make recommendations based on priorities identified by state agencies, water management districts and local governments. The five-member council would include the Secretary of the Department of Environmental Protection (DEP), the Commissioner of DACS, the head of the Fish and Wildlife Conservation Commission and two scientist appointed by the Senate president and Speaker of the House. Different from the House bill, SB 918 asks the state to identify septic tanks in spring protection zones and develop remediation plans. At the moment, SB 918 does not have committees of reference assigned.

Sober Homes Registry Bills Move through First Committee

SB 326 by Sen. Jeff Clemens and HB 21 by Rep. Bill Hager would require the Department of Children and Families to create a voluntary certification program for sober homes. The bills also require the Department to create and administer certification programs for homes which comply with new requirements. Supporters of the bill would like to see the registration made mandatory, but such efforts have failed in previous sessions. The House version of the bill has one last committee stop, while the Senate version has two more stops including Health and Human Services Appropriations and the full Appropriations committee.

Transportation Network Company Bills Introduced

SB 1326 and HB 817, similar bills regulating transportation networks, have been filed in both chambers. The bills, filed by Sen. Jeff Brandes and Rep. Matt Gaetz, are companion pieces of legislation but are not identical.

HB 817 expressly prohibits a local governmental from imposing a tax on, or requiring a license for, a TNC company or a driver or subjecting a TNC company to the local government's rate, entry, or operational requirements. The bill defines TNC's as an entity using a "digital network or software application service to connect passengers to transportation network company service provided by drivers." It also states that a TNC may not own, control, operate, or manage the vehicles used by drivers and is not a taxicab association or for-hire vehicle owner.

HB 817 requires TNC's wishing to operate in Florida to obtain a permit from the Department of Highway Safety and Motor Vehicles (DHSMV). In order for the DHSMV to issue a permit, the TNC must pay a \$5,000 annual permit fee and meet several requirements. The permit requires the TNC to designate and maintain an agent for service of process in the state, disclose the fare calculation method on its website or within the digital network software application service, provide the applicable rates being charged before the passenger gets in the vehicle, display a picture of the driver and the license plate number in software application service or website, and provide an electronic receipt to the passenger.

The bill also requires both TNC's and their drivers to meet specific automobile liability insurance requirements. The first requirement is the minimum personal insurance when a driver is not providing services to a passenger. The second applies when TNC services

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are provided. The driver must not only maintain minimum personal liability insurance, but also one which recognizes the driver's provision of TNC service and insurance of at least \$1 million for death, personal injury, and property damage.

HB 817 also requires TNC's to screen driver applications for the appropriate insurance policies and conduct a state and national criminal background check for each applicant to include the Multi-State/Multi-Jurisdiction Criminal Records Locator and the Dru Sjodin National Sex Offender Public Website. The bill also requires the TNC to adopt a policy of nondiscrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to passengers and potential passengers. To date, HB 817 has not been scheduled to be heard in committee.

SB 1326 has similar definitions, addresses insurance requirements and TNC driver requirements including background checks. A TNC may not own, control, operate, or manage vehicles owned by TNC drivers. Motor vehicles used by TNC drivers to provide services must also meet the safety and emissions requirements in Chapter 316, F.S., and a TNC driver must not solicit or accept street hails. At present, the bill does not expressly preempt local regulation of TNCs or TNC drivers.

Other Filed Bills of Interest

Civil Citation: Sen. Dwight Bullard and Rep. Gwyn Clarke-Reed have filed SB 928 and HB 99, relating to juvenile civil citations which would require a law enforcement officer to issue a civil citation upon making contact with a first time juvenile offender who admits having committed a misdemeanor.

Freight Mobility and Trade Projects: SB 958 by Sen. Wilton Simpson and HB 331 by Rep. Lake Ray would require any deposits over \$200 million into the State Transportation Trust Fund from fees collected for issuance of motor vehicle titles go to freight mobility and trade projects such as navigational channel deepening.

Animal Protection Mandate: HB 497, referred to as the "Companion Animal Protection Act" has been filed. It is very burdensome to local animal control agencies. Among the many mandates on local governments are very strict euthanization protocols. The bill prohibits an animal's euthanization until several conditions are met. Euthanization can only take place after it is documented that no cage or holding space is available, there is no opportunity to share a space with another animal, no foster agencies or rescue organizations are able to take the animal, and the director of the facility certifies that there are no euthanization alternatives. The bill requires that compliance with these conditions be documented in writing, signed by the facility director and made available to the public for three years. HB 497 also places mandates on the actual euthanization process and calls for onerous protocols following the procedure. With few narrow exceptions, it mandates that only lethal intravenous injection of sodium pentobarbital can be used. The bill also prohibits a shelter from allowing an animal to witness the euthanization of another animal. HB 497 also has very strict holding period mandates and requirements on how an agency must attempt to find an owner or an eligible adopter. HB 497, filed by Rep. Barbara Watson, does not have a Senate companion.

Amendment 1 Trust Fund Changes: While the process by which projects will receive Amendment 1 money will be determined later in session, the Senate Environmental Preservation and Conservation Committee approved several bills that make various

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statutory changes to current trust funds. The statutory changes are needed to ensure Amendment 1 designated funding is placed within in the Land Acquisition Trust Fund.

It should be noted that these statutory changes include changing how doc stamp revenue traditionally flows to transportation and affordable housing trust funds. Amendment 1 implementation projections indicate that to account for about \$757 million for land and water projects, approximately \$100 million from transportation and \$100 million from affordable housing funding will need to be diverted to the Land Acquisition Trust Fund. These procedural bills are filed in the Senate (SB 576, SB 578, SB 580, SB 582, SB 584, and SB 586) but don't yet have House companions.

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