

Broward SLI

State Legislative Information

January 2015

Interim Committee Weeks 1 and 2

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Broward County's Port Everglades Action Team Tallahassee Fly-In Scheduled

Several Broward County Commissioners, Port Everglades and Intergovernmental Affairs staff and members of the local business community will be taking an advocacy trip to Tallahassee on February 4, 2015. The advocacy fly-in will be a great opportunity to continue building Port Everglades profile as an international powerhouse port and integral part of Florida's economy. During the trip, the group will work the capital offices and executive branch offices thanking them for previous support and urging continued significant investment in Broward County's Port Everglades. Broward County, working side by side with the business community, hopes that continued investment will take shape in full funding of the Florida Department of Transportation Five Year Work Plan and increased funding to important programs like the Florida Seaport Transportation and Economic Development program.

Governor Scott's Communication Services Tax (CST) Cut Proposal Presented

Governor Scott has released his CST tax cut proposal. With support from the telecommunications industry, the proposal will cut taxes on cell-phone bills and cable and satellite television. The proposal will also reduce state tax revenue by an estimated \$470 million. Currently, the tax rates are now 9.17 percent on nonresidential landlines, cell phone, and cable services and 13.17 percent on satellite services. The proposal will cut rates by 3.4 percent and is projected to save Floridians roughly \$500 million a year with an estimated \$40 in annual savings per person.

Amendment 1 Discussed by Legislature

Amendment 1 – The Water and Land Conservation Constitutional Amendment has been the center of attention, both in legislative committees and the media. During the first meeting of Senate Environmental Preservation and Conservation Committee, the committee was presented with background of the amendment, guidance on implementing language, and funding projections. The amendment

calls for 33 percent of net revenue from the existing excise tax on documents to be placed in the Land Acquisition Trust Fund (LATF). According to staff, the amendment calls for \$757.7 million in FY 2015-2016 and projections exceed \$1 billion in FY 2022-2023 and results in a total of \$22.6 billion in LATF distributions by FY 2033-2034. Staff also recommended the committee consider legislation to amend the excise tax law to comply with constitutional requirements, provide for accountability, increase transparency, and comply with a prohibition on commingling.

Much of the conversation from members of the committee focused on the broad nature of the amendment and how related funding could be used to address a variety of issues across the state. Additionally, multiple members committed that funding should be used for land management and not simply acquisition.

Public comment was led by Eric Draper from Florida’s Water and Land Legacy which was the committee behind the passage of Amendment 1. Mr. Draper provided the following funding structure recommendation to the Legislature:

	\$ From Amendment 1	Statutory References
TOTAL *	\$662.0	August 2014 revenue estimates
Debt Service **	\$177.0	201.15,215.618,215.619
Beach Management	\$20.0	201.15(1)(c)(3)
Everglades, Estuaries, and Northern Everglades	\$150.0	373.470, 373.4595
Florida Forever	\$150.0	259.105
DEP/WMD/FCT		\$110.0
Springs		\$30.0
Trails		\$10.0
Springs	\$50.0	373.451
Land Management	\$90.0	373.59
Rural Family Lands	\$25.0	570.71

Bills of Interest Filed

Recovery Residences

SB 226/HB 21 Relating to Substance Abuse services has been filed in both chambers. The bills require the Department of Children and Families (DCF) to approve a credentialing entity to develop and administer a voluntary certification program for recovery residences. Credentialing entities are required to establish recovery residence certification requirements and procedures to administer the application, certification, disciplinary processes. They are also charged with monitoring and inspecting a recovery residence and its staff to ensure compliance with certification requirements.

The bills also directs the entity to interview and evaluate residents, employees, and volunteer staff on their knowledge and application of certification requirements, provide training for owners, managers, and staff, develop a code of

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ethics and establish application, inspection, and annual certification renewal fees. Local governments are working hard to ensure the bills get heard and ultimately pass.

Enterprise Zones

Enterprise Zones were also the subject of extended conversation in the Senate. Senator Nancy Detert, Chair of the Senate Committee on Commerce and Tourism, discussed enterprise zones at length. Sen. Detert took a very hard stance on reauthorizing a program she believes is no longer fulfilling its original purpose. Sen. Detert expressed her belief that the zones are incentivizing moving existing businesses around locally and not necessarily incentivizing new job creation in blighted areas. She committed to continuing the conversation but made it clear reauthorization must include revamping the program to ensure new job creation is the focus.

The conditional reauthorization concept was reflected in comments by Rep. Jose Oliva, Chair of the House Economic Affairs Committee as well. Rep. Oliva's Committee received information from the Office of Program Policy Analysis and Government Accountability that questions the success of enterprise zones. The study considers factors such as crime rates, property values and infant mortality rates to determine whether the zones were having positive impacts on communities. The study also indicated that enterprise zones are severely underutilized and not well publicized. Multiple members of the committee questioned the accuracy of the study because of the factors used to draw conclusions. They also drew attention to the fact the program is underpublicized and indicated that is an important aspect to understand when questioning the productivity of enterprise zones.

SB 392 relating to enterprise zones has been filed by Sen. Jeff Clemons. The bill reauthorizes the program to 2025 and makes some programmatic changes. As of now, there is no reauthorization bill filed in the House of Representatives.

Kratom Legislation

HB 287 Relating to Controlled Substances will add Kratom (*mitragyna speciosa*) to the schedule of controlled substances. The bill, filed by Rep. Kristen Jacobs, will make kratom the 176th controlled substance identified in statute.

Local Government Construction Preferences

HB 113 by Rep. Keith Perry, prohibits local ordinances and regulations from restricting a certified contractor's competition for award of contract for construction services based upon office location in the jurisdiction, home jurisdiction of the vendor's employees, and prior payment of taxes within the soliciting jurisdiction. The bill only places these prohibitions on projects where twenty percent or more of funds come from the state.

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Public Service Commission (PSC) Reforms

Bills in both chambers have been filed to prohibit members of the legislature from being appointed to the PSC within two years of their service. The bill also limits commissioners appointed after July 1, 2015, to serve no more than two consecutive four-year terms. To ensure statewide representation on the commission, the bill creates five districts with boundaries that align with the five district courts of appeal and requires any appointment to reside in the district.

Property Appraiser Budgets

Legislation mandating a property appraiser's budget to be funded once the Department of Revenue (DOR) makes its final budget amendments has been filed. HB 213 relating to Property Appraisers obligates county commissions to fund DOR's final property appraiser budget irrespective of a pending appeal to the Administration Commission.

Entertainment Industry Tax Credit Program

HB 451 relating to entertainment industry tax credit program has been filed by Rep. Mike Miller. The bill revises information in the tax credit applications and procedures for administering the program. HB 451 will likely be the vehicle to reforming and funding the entertainment tax credit program in the House.

Regional Planning Councils

A bill eliminating the eleven regional planning councils across the state was filed by Sen. Wilton Simpson. SB 484 will eliminate the planning council duties and shift the responsibilities to local governments. The bill authorizes local governments to enter into agreements to create regional planning entities.

Tax, Finance and Economic Development Reforms Poised for 2015 Legislative Session

During the January 7, 2015, meeting of the House Finance and Tax Committee, Chair Matt Gaetz made it clear finance tax reforms would be a major committee priority. The committee materials included a list of broad financial areas that would be considered for reform, including affordable housing financing, alternate financing for small business (corporate income and sales and use tax credit), bonding protocols, capital recovery, clerks of court financial oversight, local governments and special districts, and state debt service and financing. Also included were reforms relating to ad valorem taxes, communications services taxes, corporate income taxes, fuel taxes, geography-based taxes, insurance premium taxes, commercial lease taxes, obsolete taxes, pari-mutuel taxes, pollutant taxes, sales and use taxes, severance taxes, sin taxes, tobacco taxes, tourist/convention development taxes, and utility gross receipt tax. Very little details were provided about the committee's direction and most of the items were introduced to simply begin discourse. Chair Gaetz plans to hear from

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committee members and stakeholders to work toward a more focused committee agenda.

In the Senate, Sen. Dorothy Hukill has filed two specific tax reduction bills. SB 110 relating to communication services taxes will reduce the tax rates applied to communication services and to the rate applied to the retail sale of direct-to-home satellite services. SB 140 relating to tax on sales, use, and other transactions reduces tax on rental property from 6 percent to 5 percent.

Important Upcoming Legislative Dates

3rd Interim Committee Week – Week of February 2nd

Port Everglades Action Team Tallahassee Fly-In – February 3rd and 4th

4th Interim Committee Week – Week of February 9th

5th Interim Committee Week – Week of February 16th

2015 Legislative Session Convenes – March 3rd

Broward Days in Tallahassee – March 24th – 26th

FAC Legislative Day – March 26th

Last Day of Regular Session – May 1st

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