

# Broward SLI

State Legislative Information

March 20, 2015

Week 3 -2015 Session

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Eddy Labrador  
 Marty Cassini  
 Nick Matthews  
 Sean Kolaskar  
 Daphnee Sainvil

## Reminder – 2015 Broward Days and FAC Legislative Day, Next Week

Broward Days will be hosted in Tallahassee next week on Wednesday, March 25<sup>th</sup> and Thursday, March 26<sup>th</sup>. A link to Broward Days information can be found here: [Broward Days 2015](#).

The Florida Association of Counties, 2015 Legislative Day takes place next Thursday, March 26<sup>th</sup>. A link to the FAC 2015 Legislative Day information can be found here: [FAC 2015 Legislative Day](#).

## Environmental Funding Proposals Released in Both Chambers

This week, after receiving allocations from their presiding officers, the House and Senate subcommittees released the “Chairman’s” budget proposals for the upcoming fiscal year. There are significant differences between the House and Senate chambers with regard to the total funds dedicated to agriculture and natural resource management agencies. With respect to key environmental program and initiatives, the Chair’s allocations are as follows:

Program	House	Senate
Florida Forever/ Land Acquisition	\$205,000,000	\$ 22,000,000
Everglades Restoration	\$100,000,000	\$ 79,000,000
Everglades Restoration (Incl. IRL)	\$ 33,000,000	\$ 0
Northern Everglades, WQ & Estuaries Projects	\$ 20,167,551	\$ 3,000,000
Springs Protection	\$ 55,215,853	\$ 50,000,000
Alternative Water Supply	\$ 50,000,000	\$ 50,000,000
Drinking Water State Revolving Loan Program	\$ 95,863,107	\$ 88,422,307
Wastewater Revolving Loan Program	\$191,128,531	\$181,210,531
Small County Wastewater Treatment Grants	\$ 16,000,000	\$ 16,000,000
Total Maximum Daily Loads	\$ 9,385,000	\$ 9,385,000
DACS “Water Farming” Lake O. Basin	\$ 7,000,000	\$ 0
DACS BMP’s Implementation	\$ 5,500,000	\$ 1,900,000
DACS Hybrid Wetland Treatment Program	\$ 6,200,000	\$ 0
Non-point Source Management	\$ 17,300,000	\$ 3,000,000
Keys Wastewater Treatment	\$ 25,000,000	\$ 0
Beach Restoration	\$ 40,000,000	\$ 25,000,000
Petroleum Tank Clean-up	\$110,000,000	\$110,000,000
Dry Cleaning Solvent Clean-up	\$ 6,500,000	\$ 6,500,000
Local Water Projects	\$ 80,589,000	\$ 0
Transfer to DOT for Trails	\$ 0	\$ 25,000,000

As summarized below, with respect to funds associated with the Land Acquisition and Management Trust Fund (Amendment 1), the chambers took different approaches towards the expenditure of the funds.

Agency	House	Senate
Dept. of Agriculture and Consumer Services	\$125,104,703	\$ 89,525,015
Department of Environmental Protection	\$505,316,871	\$504,006,631
Fish and Wildlife Commission	<u>\$ 98,975,597</u>	<u>\$120,662,794</u>
	\$729,397,171	\$714,154,400

Next week, both chambers will consider, and amend the proposals in their respective full appropriations committees prior to floor action. Once each chamber approves their versions of the State budget, they will be in a position to commence budget conferences. However, this is not expected to happen until week 7, at the earliest.

## **Florida Health Insurance Affordability (FHIX) Exchange Moves Again in Senate**

The Senate continued its work developing an expansion alternative to traditional Medicaid. During Tuesday’s Senate Appropriations Subcommittee on Health and Human Services, SB 7044 – Health Insurance Affordability Exchange, was amended and approved unanimously. The first amendment encourages insurance agents to identify and assist enrollees. The amendment also clarifies that agents are allowed to receive usual and customary commissions from insurers and health maintenance organizations who offer plans in the FHIX marketplace. The amendments further clarified that healthy beneficiaries age 18 to 50 years without dependent children, or who are not pregnant, must provide proof of employment or register with a career source office administered by the Department of Economic Opportunity. The amended bill also requires career source offices to offer the same services to FHIX enrollees as those that are made available to Supplemental Nutrition Assistance Program participants.

As reported previously, the future of the legislation is dubious, at best. Chair Sen. Rene Garcia did reiterate that the bill is a vehicle to communicate with federal Centers for Medicare and Medicaid Services and gauge their acceptance of a Florida specific alternative. To date, no similar legislation has moved in the House of Representatives.

## **Mental Health in the Criminal Justice System Package Introduced**

JDC 1 – Mental Health Services in the Criminal Justice System was introduced by the House Judiciary Committee on Thursday, March 19, 2015. JDC 1 combines elements of different bills in the House and Senate. Primarily, the bill addresses Florida’s mental health courts, veterans’ courts, drug courts, and juvenile delinquency pretrial intervention programs. Those programs provide pretrial or post adjudicatory alternatives for qualifying offenders involved in the criminal justice system. These courts also allow offenders to access programs and treatment options that address the underlying cause of the offender’s actions. For the purpose of participation in veterans’ court, the proposed bill expands the definition of veteran to include those discharged or released under a general discharge. It allows counties to create and fund treatment-based mental health court programs and grants qualifying offenders the opportunity to transfer to a problem-solving court in another county.

The proposal also creates a Forensic Hospital Diversion Pilot Program to serve eligible individuals who have mental illnesses or co-occurring mental illnesses and substance use disorders who are involved in or at risk of entering state forensic mental health treatment facilities, prisons, jails, or state civil mental health treatment facilities. The pilot program is

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designed to provide competency-restoration and community-reintegration services in either a locked residential treatment facility - when appropriate - or a community-based facility based upon consideration of public safety, the needs of the defendant, and available resources. Additionally, the bill instructs the Department of Children and Families to implement the pilot programs in Escambia County, Hillsborough County, and Miami-Dade County that mirrors the Miami-Dade forensic program. The bill's sponsor, Chair Rep. McBurney indicated the counties were selected based on similar legislation that passed the Senate in previous years. It is unknown if an appropriation would pass to fund the pilot program.

The proposal also grants the judiciary more discretion in dealing with eligible offenders. Specifically, it allows judges to require offenders to participate in post adjudicatory treatment-based mental health court programs and allows judges to require qualifying veterans to participate in treatment programs as part of their probation or community control. JDC 1 permits a defendant with a mental illness and who meets qualifying criteria to participate in pretrial mental health court program. It also allows a juvenile offender with a mental illness to be admitted to a delinquency pretrial program for treatment purposes and allows a judge to dismiss charges against the juvenile upon the successful completion of the program.

Consistent with a previous legislative update, the legislative landscape for mental health and substance abuse legislation is still unclear. Multiple bills are moving in both chambers; however, budget negotiations between the House and the Senate chambers will continue to complicate these issues.

### **House Juvenile Justice Detention Cost Share Proposal Moves**

On Wednesday, March 18, 2015, JUAS 1 – Juvenile Detention Costs was introduced in the House Justice Appropriations Subcommittee. Chair Rep. Metz presented the bill as a long awaited and fair fix to the broken cost share relationship between the Department of Juvenile Justice (DJJ) and Florida's counties. The bill requires non-fiscally restrained counties to pay \$55 million for shared detention costs in FY 15-16. In future years, counties would be responsible for 57 percent of detention costs, and the state would be responsible for only 43 percent of detention costs. The bill also requires the Department of Revenue to set-off any amount owed or unpaid by counties against other cost-sharing revenues.

Chair Metz indicated the bill was a work-in-progress and fixing the arrangement was mutually beneficial to both sides. Discussion from committee members included a potential plan to reimburse counties that prevailed in litigation over years of overbillings. Chair Metz appeared amendable to a reimbursement plan; however, he indicated that negotiating a reimbursement should not come at the cost of preventing legislation from moving forward to correct current billing arrangements. The proposal was unanimously approved.

Following developments in the House of Representatives, the Florida Association of Counties (FAC) hosted a conference call for the Legislative Executive Committee. The first order of business was approval for a new FAC legislative position. The Committee unanimously approved support for a 50 – 50 cost share arrangement and a ten-year payback by the legislature. The new position will be advocated immediately during FAC Days in Tallahassee on March 26, 2015.

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## Value Adjustment Board Reforms Underway

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Thursday, March 19, 2015, HB 695 – Value Adjustment Boards by Rep. Avila, passed out of the House Finance and Tax Committee with a 10 to 6 vote. The vote fell along party lines. HB 695 revises the composition, procedures, and oversight of the Value Adjustment Board (VAB) process. Most notably, the bill changes composition of the VAB from county commissioners, school board members, and citizen members to all citizen residents of the county appointed by their legislative delegation.

The bill also creates a review process for any county which receives 10,000 or more VAB petitions in one year. The Department of Revenue (DOR) would be the agency in charge of reviewing the county process; and would require the DOR to report its findings to the Legislature. In addition, the bill requires the notice of proposed property tax (TRIM notice) contain a breakdown of millage attributable to each of the county's constitutional officers. HB 695 has two remaining House committees of reference.

The Senate companion, SB 972 by Sen. Flores, does not have the contentious language removing county commissioners from the VAB. However, it does include the 10,000 petition threshold for DOR audits. It is awaiting a hearing in the Senate Finance and Tax Committee.

## Senate Appropriations Committee Fixes Amendment 1 Legislation; House Committee Passes HB 1291

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The Senate Appropriations Committee unanimously removed a controversial reduction to transportation and affordable housing trust funds resulting from its package to implement Amendment 1. The Senate's package of bills (SB 576, SB 578, SB 580, SB 582, SB 584 and SB 586) provides the structural framework necessary to implement Amendment 1. Unlike the House measure, HB 1291, the Senate's SB 586 changed the documentary stamp tax distribution in a manner that shifted about \$112 million away from the affordable housing trust funds, and \$100 million from the State Transportation Trust Fund.

An amendment presented by Sen. Hays during Wednesday's committee meeting modified SB 586 to ensure the affordable housing and transportation trust funds receive the amount of documentary stamp tax revenue that would have occurred without Amendment 1. The Senate bills are scheduled to be heard on the Senate floor on March 24, 2015. In the House, the Appropriations Committee took up and passed HB 1291. The bill is now ready for consideration by the entire House.

## Local Preference Bills Advance

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Legislation prohibiting the application of preferences to local contractors in public works projects advanced this week and is one step closer to final consideration in each chamber of the Legislature. CS/CS/HB 113 by Rep. Perry and CS/CS/SB 778 by Sen. Hays each passed along party-line votes when considered this week.

Specifically, the bills prohibit the application of any local ordinance or regulation that gives preference to a local contractor in a competitive solicitation for construction services if 50% or more of the cost will be paid from state-appropriated funds. Particularly, the bills prohibit preferences based upon office or business location, prior payment of local taxes, assessments or duties, or the hiring employees or subcontractors from within a certain

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jurisdiction. The bills require a political subdivision, subject to this new statute, to disclose in the competitive solicitation document whether payment will be made from state-appropriated funds and either the actual amount of state funds or percentage of state funds compared to the total cost of the construction services, if known. The bills do not prohibit the application of local preferences in a competitive solicitation for construction services where less than 50 percent of the total cost will be paid from state-appropriated funds.

CS/CS/HB 113 now goes to its final committee, the House State Affairs Committee, and CS/CS/SB 778 is scheduled to be heard in the Senate Appropriations Committee, its last committee of reference, on March 25, 2015.

## **House Film & Entertainment Bill Passes First Hurdle**

The House Economic Development & Tourism Subcommittee passed significant modifications to the current film and entertainment incentives program on an 11-2 vote. Florida law presently offers qualified companies and productions certain tax credits and tax exemptions for expenditures made within the state. As passed, HB 451, by Rep. Miller, changes the processes by which companies may receive such tax credits and exemptions, and creates an additional incentive entitled the "Production Action Fund." Among the changes approved, HB 451:

- Changes the name of the Office of Film and Entertainment to the "Division of Film and Entertainment" and houses the Division within the Enterprise Florida, Inc. (EFI), removing it from under the Department of Economic Opportunity. The bill also modifies how the Division's commissioner is hired, revises the Division's strategic plan requirements, and repeals the Florida Film and Entertainment Advisory Council.
- Proposes various changes to the Entertainment Industry Financial Incentive Program including:
  - ✓ Amending the application and certification process for tax credits to be prioritized based on the expected economic benefit of an applicant's production;
  - ✓ Creating two application cycles per fiscal year, which consist of an application deadline and review period;
  - ✓ Limiting the certification of credits to up to 50 percent for the first application cycle of a fiscal year;
  - ✓ Limiting the Department of Revenue's ability to certify tax credits for a fiscal year to no more than the allocated tax credits for that fiscal year;
  - ✓ Removing availability for certain additional tax credit awards; and
  - ✓ Allocating \$50 million of tax credits for Fiscal Year 2016-2017.
- Creates the Production Action Fund to allow certain production companies to apply for funds for a production or successive seasons of a production. An award may not exceed 30% of a project's qualified expenditures and cannot fund wages paid to non-Florida residents. The division and the department must jointly review and evaluate applications to determine the eligibility of each project. The department recommends the project to Governor, who makes a final decision on the award, pending review by the Legislature. The criteria the division and the

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department must consider to determine a project's eligibility for an award includes:

- ✓ Proof of financing for the applied-for project;
  - ✓ Expected contributions to the state's economy;
  - ✓ The expenditures that will be made in the state and the amount of production time to take place in the state;
  - ✓ The amount of capital investment to be made directly by the production company in this state;
  - ✓ The amount of promotion of Florida the production company will provide for the state; and
  - ✓ The number of state residents that will be employed and their wages.
- The bill also modifies the application processes for a qualified production company to receive an exemption certificate for sales and use tax exemptions under §§ 212.031, 212.06, and 212.08, F.S. The changes primarily relate to when and how a qualified production company may submit an application for such certificate.

The bill now moves to the House Finance & Tax Committee.

## Notable Developments

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### ***FRS Reform Off the Table***

Recently, House Speaker Crisafulli publicly announced that his chamber will not move ahead with Florida Retirement System (FRS) pension reforms during the 2015 Legislative Session. Attempts to overhaul the FRS pension system have failed in recent years. Each year, proposals to eliminate the traditional defined benefit pension in favor of a 401(k) defined contribution style have proven to be extremely controversial.

### ***Governor Scott Signs New FL Presidential Primary Date Into Law***

HB 7035 – Presidential Preference Primary, passed through both chambers, and was signed into law by Gov. Rick Scott on Thursday, March 19, 2015. The bill sets presidential primaries on the third Tuesday in March during election years; therefore, the 2016 presidential primary elections will be held on March 15<sup>th</sup>.

Under current law, the 2016 primaries would have been March 1. It is important to note, the change to a later date will allow the Republican Party of Florida to make its primary winner-take-all, instead of awarding proportional delegates. Democratic Party delegates are traditionally awarded proportionally regardless of the primary date.

## Next Week at the Capitol

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**SB 1298** – Sen. Simmons - Senate Banking and Insurance Committee – relating to insurance requirements for transportation network companies.

**SB 934** – Sen. Brandes – Senate Community Affairs Committee – relating to Public Works Projects; prohibits state and political subdivisions that contract for the construction, maintenance, repair, or improvement of public works from imposing certain conditions on certain contractors, subcontractors, or material suppliers or carriers; prohibits state and political subdivisions from restricting qualified bidders from submitting bids, being awarded any bid or contract, or performing work on a public works project.

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*SB 902* – Sen. Clemens – Senate Agriculture Committee – relating to designating "hemp" as an agricultural crop and to encourage a hemp industry in Florida.

*SB 544* – Se. Hukill - Senate Commerce and Tourism Committee – relating to a sales-tax exemption for industrial machinery and equipment.

*SB 180* – Sen. Evers - Senate Criminal Justice Committee – relating to designating employees or volunteers to carry guns at public schools.

*SB 384* – Sen. Garcia - Senate Finance and Tax Committee – providing a sales-tax holiday for shoppers at small businesses on November 28, 2015.

*HB 1067* – Rep. Santiago - House Civil Justice Subcommittee – relating to the application of punitive-damages cap to lawsuits filed by smokers or their family members against tobacco companies.

*HB 599 and SB 984* – Rep. Rogers and Sen. Braynon - House Government Operations Subcommittee and Senate Ethics and Elections Committee – creating a limited exemption to a state law that bars lobbyists from giving gifts or spending other money to benefit lawmakers. The proposal would allow governmental entities to make available facilities or property to lawmakers if there is a "public purpose."

*SB 290* – Sen. Brandes – Senate Floor Action – relating to carrying concealed weapons during emergency evacuations. The bill would allow legal gun owners to carry guns without concealed-weapons licenses during the first 48 hours after emergency evacuation orders are given.

*HB 7071* – Rep. Avila - House Transportation & Economic Development Appropriations Subcommittee – barring use of red-light cameras to cite drivers for improperly turning right on red. Also, the bill would require local governments to use money from red-light camera violations to bolster public safety, rather than on other priorities.

*Senate Budget* - Senate Appropriations Committee – Consideration of Senate's proposed \$80.4 billion budget for the fiscal year 2015-2016.

*House Budget* – House Appropriations Committee – Consideration of House's proposed \$76.2 billion budget for fiscal year 2015-2016.

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