April 4, 2014 Week 5 - 2014 Session

Week 5

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Chambers Approve Budgets, Position for Conference

On Thursday April 3, 2014, the Senate and House of Representatives approved their respective General Appropriations Acts and conforming bills. In the Senate, a 39-0 vote approved SB 2500, the \$74.9 billion proposed budget for FY 2014-2015. The House passed its \$75.3 billion proposal, HB 5001, with a 100-16 vote. After passage, presiding officers in both chambers let the members know that total allocations should be finalized to in the coming days in preparation for budget conferences. Senate President Gaetz expressed a desire to begin conference committees next week.

Concerns Fixed in Solar Legislative Package

On Monday, March 31, 2014, <u>SB 1044</u> was amended to remove the deletion of a provision in current law requiring all solar energy systems manufactured or sold in Florida to meet the standards established by the Florida Solar Energy Center (FSEC). The amendment was drafted in cooperation with the Department of Agriculture and Consumer Services and there was no opposition in ensuring the FSEC's certification role is maintained.

OIAPS staff is also working on additional language that will allow the FSEC to serve as the state's single, uniform source of structural and electrical design documents for permits issued by local permitting agencies relating to residential and commercial solar energy system installations. The amendment will allow the FSEC to develop rooftop photovoltaic solar design plans and serve as statewide repository for such design plans and schematics.

Gaming Bill Announced Dead in the Senate

On Thursday April 3, 2014, Senate President Gaetz allowed Gaming Committee Chairman, Senator Garrett Richter to provide the chamber with an update on the gaming legislation. Chair Richter announced that attempts to overhaul gaming oversight and add two destination resort casinos have failed. Senator Richter stated there was no consensus on the committee to move a bill in the Senate, and those difficulties are compounded by the absence of a new compact deal with the Seminole Tribe of Florida. It is believed the Governor is currently negotiating the terms of a new compact with the Tribe. A new compact would require ratification by both the Senate and the House of Representatives.

Juvenile Justice Cost Share Passes on House Floor and First Senate Committee

HB 5305 – Juvenile Justice Cost Share passed in the House 100-11. The bill contains the 50/50 prospective cost share of juvenile detention with the state and a 23-year payback schedule to return the majority of the overbilled and overpaid costs borne by counties. The companion measure SB 1532, unanimously passed the Senate Community Affairs Committee and is now headed to the Full Appropriations Committee. Members on the Senate panel questioned why there was no payment schedule for overpayments owed to the counties. The bill sponsor stated the cost savings from the new 50/50 model will pay those amounts owed over time.

Wage Theft Preemption Bill Narrowly Passes

On Wednesday, April 2, 2014, the Senate Rules Committee considered <u>SB 926</u> – Wage Theft, and amended the bill to remove the amendment put on by Senator Darren Soto the previous week. The Soto amendment allowed local governments to enact wage theft ordinances similar to those enacted by Alachua, Broward and Miami-Dade Counties, in addition to the Palm Beach County model proposed in the bill. However, Senator Richter's amendment, which the committee adopted, replaced the original proposed local regulatory scheme in favor of allowing victims of wage theft to file a civil action in county court.

The bill provides for a \$50 filing fee and requires the employee to provide notice to the employer prior to filing suit. An employer has 7 days to resolve the wage dispute following receipt of the employee's notice. If the employee proves wage theft by a preponderance of evidence, the court may award damages equal to twice the amount owed, but may not award any non-economic or punitive damages, or any amount for attorney's fees or costs. The Rules Committee narrowly passed the bill on an 8-7 vote. The bill grandfather's local ordinances enacted prior to January 1, 2014.

Amendment Caps Cremation Permit Fee at \$50

On Thursday, April 3, 2014, the House Health and Human Services Committee approved an amendment capping cremation permits at \$50. Despite the amendment's lack of germanity to the bill, the committee adopted the amendment on to HB 819 Relating to the Department of Health. At the moment, there is no similar language filed to a bill in the Senate and similar controversial bills, eliminating the entire fee, are believed to be dead for the 2014 Legislative Session.

Local Governments and Environmental Groups Remain Opposed to Permitting Bills

On Monday March 31, 2014, <u>HB 703</u> – Environmental Regulation cleared the House Agriculture and Natural Resources Appropriations Subcommittee by a vote of 8-4. The bill restricts local control of well-drilling, wetland, and springs regulation. In each case, any regulation enacted before 2003 would still be in effect, but cannot be modified or readopted. However, the companion measure, <u>SB 1464</u>, was previously amended to remove many local government regulation prohibitions. Environmentalists still remain opposed due to a section in the bill that would allow for 30-year water use permits for larger developments in a rural area of critical concern. HB 703 has one more committee of reference, State Affairs Committee, but the Senate bill still has three more stops.

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Bill to Encourage Contamination Site Rehabilitation Ready for Senate Floor

SB 586 – Brownfields is poised for a full Senate vote after the bill passed the Judiciary Committee. The bill essentially extends liability protections from property damage to individuals who successfully complete a Brownfield clean-up. However, the bill also makes a few exceptions to the extension of liability protection, such as causing increased discharge or pollution, fraudulently demonstrating site conditions, or exacerbating contamination in violation of applicable laws. The bill also contains a requirement that Brownfield agreements must be noticed to a local pollution control program. This language was successfully inserted by Broward County in a similar bill last year. HB 325 is in its last committee of reference, Economic Affairs Committee.

Renewable Energy Constitutional Amendment Likely Dead

SJR 916 – Renewable Energy Devices has cleared two Senate Committees, but the House Finance and Tax Chair, Representative Ritch Workman, publicly stated the companion measures will not be heard in the House. Currently, residential properties may not be assessed for renewable device installations. Along with its implementing bill SB 922, the bills would expand the definition to include commercial properties. The bill also requires that any renewable energy source device must be installed by an end-use customer and the device must offset part, or all of the end-use customer's electricity demands. The bill still has one last committee of reference, but the companion measures HJR 825 and HB 827 have not yet been heard and most likely will not be heard this session.

Septic Tank Prohibition on Land Application Moves in Both Chambers

Companion measures which would delay the prohibition of land application of septage from septic tanks moved in the House and Senate. HB 1113 and SB 1160 – Onsite Sewage Treatment and Disposal Systems, require the Department of Environmental Protection to investigate potential options for safely disposing of septage. More importantly, the bills also delay the prohibition regarding land application of septage. However, SB 1160 delays the prohibition until 2017, while HB 1113 does so until 2018. Both bills are now in their last committees of reference.

FRS Reform Potential Resurfaces

During the 2013 Legislative Session, the House introduced a bill which would have closed the defined benefit pension plan in the FRS and move new employees into a defined contribution, similar to a 401(k) style plan. The bill, however, did not have the backing of the Senate. This week the House State Affairs Committee passed a watered down version of last year's bill. The bill specifically encourages new employees to join the defined contribution plan and raises the vesting period of the defined benefit plan from 8 to 10 years. The bill still faces opposition as the measure passed on an 11-6 party-line vote.

UBER Limousine Legislation Squeaks by Committee

On Friday, April 4, 2014, the House Economic Affairs Committee heard and passed a narrowed version of HB 1389 providing that a special district may not discriminate or restrict the use of limousines for hire which use digital transportation request services. A covered special district may not requires a minimum wait time, a minimum fare, or

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restrict the number of permits issued to operate limousines for hire within the jurisdiction of the special district. Limousines must meet minimum commercial insurance responsibility requirements pursuant to §324.032, F.S. The bill passed on a 9-8 vote. The bill is now available for floor consideration.

On April 3, 2014, the Senate Transportation Committee heard and similarly amended SB 1618, the companion measure. However, the committee ran out of time before it could take a final vote on the bill. It will likely be on the Committee's Week Six agenda for final passage.

Film and Entertainment Bill on Queue for a Redo

A new film and entertainment incentive bill, SPB 7128, has been rolled out for consideration during the 6th week of the Session. The bill incorporates the provisions of SB 1640 and adds a local match requirement for applicants seeking tax credits from the state's film and entertainment incentive program. Specifically, the new provision requires a principal photography or project production applicant to obtain a 10% match from the county in which the production will be undertaken. The match is based on the amount of tax credits for which the production is applying to the state. The maximum amount of tax credits a production can apply for is as follows:

- Film & TV Queue \$8.0 Million. 10% match = \$800,000
- Commercial & Music Video Queue \$500,000. 10% match = \$50,000
- Independent & Emerging Queue (e.g., Digital Media) \$125,000. 10% match = \$12,500

The bill also includes the following changes to the incentive program that were previously included in SB 1640:

- Extending the incentive program an additional 4 years and provides an additional \$50 million in tax credits for each fiscal year beginning Fiscal Year 2014-15 through 2019-20, for a total of \$300 million in available tax credits.
- Repealing the tax credit bonus for underutilized regions. Instead, the bill creates a
 set aside of 20 percent of the tax credits in the general production queue for
 underutilized counties. Any funds not certified after 10 months into the fiscal year
 become available for certification for other applications in the queue.
- Amending the tax credit bonus for wages paid to Florida students and recent graduates to include wages paid to state residents that are participating in the Road to Independence Program, have developmental disabilities, or are veterans.
- Creating a tax credit bonus of 5 percent for productions that complete a capital investment of at least \$2 million before the completion of the qualified production.
- Repealing the tax credit bonuses for "off-season" certified productions, for productions that conduct principal photography at a qualified production facility, and for family-friendly certified theatrical or direct-to-video movies and video games.

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Stadium Improvement Bills on the Move

On April 1, 2014, the House Appropriations Committee substantially amended and passed HB 7095, relating to professional sports facilities incentive application process, by a 25-2 vote. As passed, the bill creates the Professional Sports Facility Incentive Program (PSFIP) and establishes a process to provide state funding for the public purpose of constructing, reconstructing, renovating, or improving a professional sports

facility.

The PSFIP will be administered by the Department of Economic Opportunity (DEO). Annual distributions of state funds will be made by the Department of Revenue (DOR). HB 7095 allows municipalities and counties to expend portions of the local government half-cent sales tax for reimbursing the state as required by the program. The bill adds the PSFIP to the list of economic development programs subject to review by the Office of Economic and Demographic Research (EDR) and the Office of Program Policy Analysis and Government Accountability (OPPAGA) by January 1, 2015.

HB 7095 creates a new application, review, and approval process for funding sports facilities, but does not require any expenditure of funds. It caps the total potential annual distributions at \$12 million in General Revenue funds. Distributions will be contingent upon future approval by the Legislature and enactment by general law approved by the Governor. The bill is now ready for floor consideration.

In the Senate, CS/SB 1216 creates the Sports Development Program (SDP) and authorizes distributions to professional sports franchises, approved by the Legislature and DEO, up to an annual cap of \$3 million for the construction or improvement of a professional sports facility, or the repayment of debt associated with facility's construction or improvement. Distributions can be up to 30 years for a potential maximum amount of \$90 million per certified applicant (i.e., the local government who owns the facility or an entity that constructs, manages or operates the facility which sits on land owned by the local government). The total distributions for all certified applicants combined are capped at \$13 million annually. The bill authorizes a municipality or county to use half-cent sales tax revenue to reimburse the state as required by the SDP and increases the amount that can be used up to \$3 million.

The bill requires DEO to evaluate and rank all the applications based on set criteria including: proposed use of the state funds; funding provided to be provided by an applicant; multiuse capabilities of facility; time the beneficiary (professional sports franchise) has agreed to use the facility; potential to attract out-of-state visitors; and increased ticket sales from the project, amongst other criteria. If the applicant is a professional sports franchise (beneficiary) it must enter into an agreement with DEO. The agreement must include provisions requiring the beneficiary to reimburse the state for all funds should it relocate prior to the expiration of the agreement, and requiring the beneficiary to pay for signage displaying Florida advertising approved by Visit Florida.

CS/SB 1216 also makes changes to the spring training program to allow certain spring training facilities to qualify for state funding. The bill will be heard in the Senate Appropriations Committee on Thursday, April 10, 2014.

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