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Tourist Development Taxes

HB 141 by Rep. Fresen and SB 466 by Sen. Negron, filed in January, relate to tourist development taxes and allowing for the collection of taxes in an adjacent county (within 11 miles) to be used in another county. The bills also provide for additional bonding authority for facilities that enhance convention centers. The House bill is referred to the Economic Development and Tourism Subcommittee, and the Finance and Tax and Economic Affairs Committees. SB 466 has been referred to three committees: Commerce and Tourism, Community Affairs, and Budget. Neither bill has been scheduled for hearing.

Additionally, this week Sen. Bennett filed SB 630, which prohibits a governmental entity from spending public funds to aid a professional sports team or to pay for a facility used or intended to be used for a professional sports team unless approved by a majority of voters in the jurisdictional boundaries of the governmental entity. The bill further requires exempt governmental property to be taxed if the property is used by a private entity for other than governmental, charitable, literary, religious, scientific, or educational purposes. SB 630 has not been referred to committees at this time.

Online Travel Companies

Bills regarding online travel companies have been filed by Sen. Gaetz, SB 376, and Rep. Brodeur, HB 493. The bills specifically: designate the owner of a transient facility as the payer of taxes on the amount received for occupancy, exempt third parties involved in the booking of reservations, and not only call for the payer of the taxes to separately state the amount of the tax collected on receipts or documents, but also exempt the person who facilitates the booking of a reservation. The House bill has yet to be referred at this time. Strategy meetings of interested parties have been ongoing. SB 376 is scheduled to be heard at its first committee stop in Community Affairs on February 8th. The additional committee stops are Budget and Rules.

Growth Management Update

The House Community and Military Affairs Subcommittee met on Wednesday to consider HB 93, PCB 11-01, and PCB 11-02, the three bills that together reenact SB 360, which was declared unconstitutional in 2010 for violating the single subject rule and imposing an unfunded mandate on local governments. HB 93 and PCB 11-02, which deal with the security camera and affordable housing aspects of SB 360, respectively, passed with minimal discussion. However, PCB 11-01 would reinstate the most

controversial growth management provisions of SB 360, and therefore remained problematic for some committee members. Among other things, the bill does away with transportation concurrency in areas deemed to be “dense urban land areas”, allowing developers to build without requiring that the necessary roads and sidewalks are in place to accommodate the increased demand at the time of construction. Rep. Julien of North Miami Beach, expressed concern about the fiscal impact of the bill on local governments. Rep. Randolph, of Orlando, stated that under the bill, “dense urban land areas” are defined too broadly (at approximately 1.6 persons per acre), which would force areas seen as characteristically suburban into the densely populated urban category. A few members also voiced apprehension about moving the bill through the committee without hearing from someone from the Department of Community Affairs. Passing with a vote of nine-to-five, PCB 11-01 has been refiled as HB 7001.

Destination Gaming Resorts and Convention Centers

The Senate Regulated Industries Committee met on Tuesday to hear presentations from three well-known gaming and casino corporations. Representatives from the companies pitched more than just casino gambling. The Las Vegas Sands promoted the idea of creating an integrated resort, which in addition to casino space, would include luxury hotels, convention center, trade show, and meeting facilities, dining and retail spaces, and various leisure activities. Wynn Resorts echoed this sentiment, asserting that only a small percentage of total resort space would be devoted to gaming. A representative from Boyd Gaming stressed that if the Legislature decides to bring casino gaming to Florida, it should consider the “destination resort” model over the “geographic monopoly” model.

Faced with a looming budget gap and high unemployment rates, committee members were quick to ask questions about potential revenue and job creation. The presenters offered attractive numbers, but stressed that the Legislature would have to set a favorable enough tax rate to allow the companies to make significant capital investments in Florida. Such a tax rate would likely need to be significantly lower than for Florida’s pari-mutuels, which pay thirty-five percent of their earnings to the state. As for particular locations in Florida, while Miami was mentioned, the presenters asserted that they were in no way limiting their focuses to South Florida. A committee bill detailing the State’s proposition is expected in the next few weeks.

Pension Plans

The Senate Governmental Oversight and Accountability Committee and the House Government Operations Subcommittee heard presentations from the State Board of Administration, the Florida League of Cities, the Florida Association of Counties, the Department of Management Services Division of Retirement, and the American Federation of State, County, and Municipal Employees. HB 303, Relating to Public Retirement Plans, filed by Rep. Costello last week was withdrawn this week. That bill primarily dealt with firefighter and police pension plans. It is unclear at this time what might be included in a pension reform bill. Sen. Ring, Chair of the Government Oversight and Accountability Committee has indicated a bill should be ready in the next two weeks. The Governor has indicated his support for having employees contribute to their pension funds.

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Budget

On Thursday, the Senate Budget Committee struggled with formulating a plan to deal with Florida's \$3.6 billion budget shortfall. The daunting budget gap is the result of reduced tax revenues during the recession, absence of federal stimulus money, and also the escalating numbers of individuals enrolled in Medicaid, which served as the clear target for reductions in this year's budget. Vice-Chair Negron stated that Medicaid has essentially hijacked Florida's budget, consuming a larger proportional amount of the total budget each year, to the degree that Florida has not been able to adequately fund other critical programs like public education. Faced with a nearly \$4 billion hole, Sen. Alexander (Budget Chair), noted that the Legislature basically has nowhere else to turn and will be forced to make cuts to Medicaid in order to trim the budget. However, clearly Medicaid would not be the only program facing cuts, according to Sen. Alexander, who stated that the Committee will need to look at every program and employ all possible tools to fill the budget gap, including privatization where possible, reevaluating pension benefits, and questioning whether the state can afford to continue allocating the trust funds.

Sen. Alexander also said the Legislature should budget higher reserves in order to avoid a downgrading of state bond ratings. The Governor has stated that he believes the existing budget is bloated and that the \$3.6 billion deficit can be eliminated through budget reductions, property tax cuts, and corporate income tax reductions. The Governor's budget is due February 7th.

Select Committee on Water Policy

Meeting for the second time, on Thursday the House Select Committee on Water Policy held a panel discussion on Florida's water quantity and supply. Panelists represented both sides of the issue, with environmentalists stressing the need increased water conservation, and business and industry groups arguing that some water regulations may be acting only to push businesses away and deter economic growth in the state. Representatives from the Florida League of Cities and Florida Association of Counties also voiced concerns about the state's Water Management Districts exceeding their authority and frustrating local governments. Chairwoman Williams encouraged open discussion of these issues at the initial meeting of the committee, which will likely continue in upcoming months as Florida grapples with meeting water demands in all sectors of the state's economy.

Beach Waters Bill

Sen. Sobel filed SB 526, relating to beach waters, which would require the Department of Health (DOH) to investigate sources of beach water contamination and submit a report that provides priority ranking criteria for contaminated beach waters. The bill would also require the DOH to implement an educational program designed to inform the public about human actions and behaviors that can adversely affect beach water quality. Currently, beach waters are tested regularly, and any sample indicating high bacteria levels can cause a beach to be temporarily shut down, although the source of contamination is frequently not identified. The bill would not necessarily change the way beach waters are tested; however, it would require the DOH to investigate the actual sources of contamination. A companion House bill has not yet been filed.

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