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**CITY OF FORT LAUDERDALE, FLORIDA  
2013 LEGISLATIVE PRIORITIES AND FUNDING REQUESTS**

This document reflects the official position of the City of Fort Lauderdale regarding issues and pending legislation that would impact the operation of local government. It also provides priorities for the pursuit of funding for various City initiatives.

**The City of Fort Lauderdale will endorse and support legislation that will:**

1. Permit municipal government to make necessary changes to local law pension plans
2. Support expansion of passenger rail options
3. Promote improved water quality and quantity
4. Increase resources for urban transportation needs
5. Provide for local regulation of short term rental properties
6. Preserve and/or enhance municipal home rule
7. Restore funding for State Housing Incentive Program (SHIP)
8. Expand resources for beach revitalization and re-nourishment
9. Support municipal government initiatives to curb homelessness
10. Enhance municipal participation in state environmental permitting processes
11. Ban the manufacture, possession, distribution, purchase, or sale of synthetic drugs
12. Encourage energy development and conservation and the development and implementation of alternative energy sources

**The City of Fort Lauderdale will oppose any legislation that will:**

1. Create unfunded mandates
2. Restrict or decrease allocation of red light camera revenues to local governments
3. Decrease the City's tax base through manipulation of tax exemptions on properties
4. Modify, restrict or eliminate the City's ability to levy, collect or spend franchise fees, communications service taxes or local business taxes

**The City of Fort Lauderdale will seek financial support for the following initiatives:**

1. Crime reduction
2. WAVE development
3. Transportation enhancements specifically focused on greenways and complete street initiatives
4. Beach re-nourishment
5. Juvenile Justice programs
6. Flood prevention and hazard mitigation
7. Riverwalk enhancement and activation
8. Promotion of Fort Lauderdale's marine industry
9. Water, sewer, and stormwater infrastructure improvements



## **CITY OF FT. LAUDERDALE 2013 LEGISLATIVE SESSION**

### **ECILEAD**

While we actively monitored and engaged on behalf of all of Fort Lauderdale's Legislative priorities, ECI took the lead on the following assignments based on our knowledge and strengths: Pensions, Passenger Rail Expansion, Water Quality and Quantity Promotion, Increased Resources for Urban Transportation, Municipal Initiatives to Curb Homelessness, Synthetic Drug Ban, Energy Development and Conservation, Red Light Cameras, WAVE Development, Beach Re-nourishment, and Juvenile Justice.

### **-HOME RULE & UNFUNDED MANDATES**

Tallahassee routinely passes legislation that violates home rule principles and unfairly places additional financial burdens on local governments. The 2013 Regular Session was no exception to this practice. Listed below is just some of the legislation that lawmakers either passed or attempted to pass this session. However, the examples of attacks on home rule and imposition of unfunded mandates are contained throughout the entirety of this report. We worked very closely with the Florida League of Cities to fight for home rule and against unfunded mandates.

### **SUPPORT:**

#### **-MUNICIPAL CONTROL OVER LOCAL LAW PENSION PLANS**

**Municipal Police and Firefighter Pension Reports** The Legislature passed SB 534, which forces municipalities to report on their municipal pension funding levels using uniform assumptions that many consider too conservative, passed. After 60 days of receiving the certified actuarial report beginning in June of 2014, municipalities must submit annual financial statements that account for GASB statements 67 and 68, using RP-2000 Combined Healthy Participant Mortality Tables, by gender, and Scale AA for generational projection. In addition to these annual reports, another report that follows the same principles but assumes the rate of return at 200 points less. Municipalities with websites must not only publish the financial reports but also a side-by-side with the assumed rate of return and the actual rate of return. The Department of Revenue and Department of Financial Services can withhold revenue from municipalities that do not comply with the requirements in the required timeframe. Municipalities will have the ability to appeal the withholding once DMS notifies them of their alleged noncompliance. The bill also ensures that the state is not liable for any local government shortfalls in pension funding.



**Municipal Police and Firefighter Pension Reform** Senators Ring and Bradley set out this session to reform municipal firefighter and police pension funds, but ultimately failed to pass their bill, SB 458, through the House. The sponsors both argued that reform was necessary to ensure pensions were funded but that the cities and unions will never be satisfied with any reform deal. The bill would have repealed the Department of Management Services recent interpretation that allowed cities the flexibility needed to collectively bargain. Additionally, the bill instituted a complex system for the use of premium tax dollars based upon the actuarial liability of the plans. At the last minute before final passage in the Senate, Sen. Diaz de La Portilla amended SB 458 to force cities to fund benefit levels at the unfair 1999 levels. Fortunately, the House never heard the bill beyond committees. There is a good chance this fight will return next year.

**Interlocal Agreements for Police Pensions** SB 1246 would have allowed consolidated governments that enter into an interlocal agreement to provide police protection to a municipality to use a portion of the municipality's premium tax dollars to help fund pensions. The bill barely failed. It was passed out of the House, but died on third reading in the Senate.

#### **-EXPANSION OF PASSENGER RAIL**

**Public Private Partnerships:** The Legislature passed a bill designed to encourage public investment in public infrastructure projects by establishing "guidelines" for local governments to enter into agreements for both solicited and unsolicited bids. Passenger rail advocates supported the bill, however the bill had many detractors who claimed it preempted home rule ability to set the local PPP process. The bill sponsors contend to critics that the bill is not a preemption but merely "guidelines," and that the bill's provisions do not force any public entity to bid out a project if it did not want to. The sponsors also took care to limit the language to clarify the bill did not grant additional powers or impose restrictions on local governments outside of the PPP guidelines contained therein. The guidelines establish procurement procedures- including timelines- and provide for financing sources. The projects qualify for the PPP guidelines if they are in the public interest, provide room for future growth, and have adequate safeguards in place to prevent projects from costing extra or being disrupted. The bill was amended to clarify that projects for municipal or county owned-facilities, hospital or health care systems, and municipal electric utilities qualify only if the governing board deems it so. The bill also creates a seven-member task force to study PPPs and issue recommendations for further refinement of legislative policy. Some local governments are currently mounting pressure on Gov. Scott to veto the legislation on the grounds that it may be unconstitutional and, rather than simply encouraging engagement between business and government, could result in an improper and unethical relationship between the two.



**Interlocal Agreements for Public Transit:** There was an effort this Session to include a public transit provider in the definition of public agency for the purposes of engaging in interlocal agreements. The language made it into several vehicles, however none were successful.

**Communications Facilities for High-Speed Rail:** The Legislature passed language that would establish an application and permit process for communications facilities along high-speed rails in order to provide data services such as wi-fi to passengers and crew. The language was originally included in the doomed DOT package but was passed after being amended to a bill relating to FEMA required disclosures on development permits. Unfortunately, the bill preempts local government control over these facilities.

#### **-PROMOTE IMPROVED WATER QUALITY AND QUANTITY**

**Water Quality** The Legislature passed multiple bills acknowledging the importance of water quality and quantity. SB 948 will have water management districts, property owners, the Department of Environmental Protection, and the Department of Agriculture and Consumer Services to coordinate water supply planning. The bill encourages conservation and developing alternative sources and allows for the state's unique regions to make decisions based upon their own areas. HB 183 provides twenty-year permits for stormwater discharge in urban infill or redevelopment areas and requires improvement of the quality of the stormwater. HB 713 allows for water quality credit trading in any basin management plan, so long as DEP knows the price and how the price was decided upon. Finally, SB 1808 codifies the state of Florida's Numeric Nutrient Criteria over the Federal Government's standards. A bill also passed to help encourage alternative water supply development by extending consumptive use permits for up to 30 years, strengthening bonding for infrastructure projects.

**Wastewater Treatment and Management** After three years of the bill being introduced, the Legislature passed and Governor signed into law ocean outfall reform (SB 444) that would give cities more breathing room during peak time flow and allow them to continue to discharge at up to 5% of peak flow. The bill also has the DEP and South Florida Water Management District evaluate extra information provided by utility companies in order to make further recommendations. Also passed and signed by the governor was a bill (HB 375) that would allow a property owner of a single-family residence to get a permit from the Department of Health to perform maintenance on his or her own aerobic septic tank, provided that they obtain certification. HB 375 also delays the amount of time until the septic tank installed prior to a certain date will have to be required to connect to the central system.

#### **-INCREASE RESOURCES FOR URBAN TRANSPORTATION**



**Budget:** The legislature fully funded the DOT work plan in its \$9.1 billion dollar budget. The budget also included- but the Governor vetoed- \$500,000 for a transportation facility hub on Oakland Park Blvd and State Road 7 in order to facilitating the mobility and transfer among different modes of transportation. The hub was intended to “foster regional mobility along commercial corridors through public transportation and neighborhood linkages to accommodate increasing populations and congestion mitigation.”

**DOT Package:** The Department of Transportation package (HB 7172) failed this year, which is fortunate. The package contained language that would have forced municipalities to create an inventory of all parking meters on state roads, their locations, and revenue collected with in the past three fiscal years. The Department would then use the information to conduct a study as to how it could obtain a share of the revenue despite the cities bearing the majority of the maintenance costs. A moratorium would have been placed on the placement of any new parking meters on state-owned roads until the study was concluded. At one point, DOT had the power to remove parking meters if a municipality failed to provide the requested information by August of this year. That provision was removed, however. Under the bill, municipalities were prohibited from blocking access to universities on state roads. The bill also reduced block grant funding for public transit systems that engage in advertisement for political or other advocacy campaigns. The bill was passed by both chambers but was continuously amended and passed back and forth between the two for concurrence. The bill ultimately died after running out of time while it awaited the House to concur with a fresh round of Senate changes, including a provision to add in the Dolphin Stadium language. The Department plans to still move ahead with a study in the interim and pursue the parking meter language next Session.

**DHSMV Package:** Unlike DOT, the Department of Highway Safety and Motor Vehicles package (HB 7125) did pass. The package provides a wide variety of statutory changes requested by the agency such as DUI laws and manufacturing controls. Most importantly, the language was amended to include restrictions on red light cameras. Municipalities are now prohibited from issuing right-on-red violations captured by cameras if the driver does in fact stop. Counties and municipalities must establish a hearing process in which citizens are afforded the ability to request an appeal within 60 days of receiving a notice of violation rather than having to wait until the notice has progressed into a ticket (as is the situation now). Municipalities are allowed to use their current code enforcement to serve as local hearing officers if they choose to. The Department must develop a model request for hearing form to be made available to local governments. In addition to the payments paid for the violations, municipalities are allowed to charge up to \$250 extra for costs associated with the hearing.

**-MUNICIPAL INITIATIVES TO CURB HOMELESSNESS**



The National Mortgage Settlement Funding plan that was approved by the 2013 Legislature includes \$10 million in competitive grants for municipalities and counties for homelessness issues. The Legislature also passed a bill (HB 93 sponsored by Rep. Clarke-Reed) that will allow individuals renewing or receiving their drivers' license/vehicle registration to voluntarily contribute a dollar towards homelessness issues by way of a new homelessness prevention grant program that will go to families facing the loss of their home due to a crisis, including a financial crisis.

**-BAN THE MANUFACTURE, POSSESSION, DISTRIBUTION, PURCHASE OR SALE OF SYNTHETIC DRUGS**

A League of Cities priority, the ban on synthetic drugs and their similar compounds (SB 294) passed. Now, selling and possessing "bath salts" "K2" or "spice" is illegal even if the formula for the drugs changes.

**-ENERGY DEVELOPMENT AND CONSERVATION/ ALTERNATIVE ENERGY DEVELOPMENT AND IMPLEMENTATION**

**Conservation:** The Legislature passed a bill (SB 1594) that encourages local governments, agencies, and school districts, to enter into performance savings contracts for water, wastewater, and energy. The contracts must guarantee savings through conservation and efficiency and, in turn, the political subdivision can pay back loans for the construction in installments over a 20-year period, although a specified amount must be paid back in 2 years following the installation. The CFO's office reviews the contracts.

**Smarter Development:** The Legislature also took on the issue of Nuclear Cost Recovery (SB 1472) by putting greater controls and requirements on utilities receiving or seeking to receive cost recoveries in building nuclear power plants. The bill authorizes the PSC to review utility company applications and determine if completion of the nuclear plant is feasible, cost of completion is reasonable, and if the utility company intends to or does not intend to complete its construction.

**Natural Gas Motor Fuel:** In order to incentivize conversion of fleets to natural gas, the Legislature passed a bill (HB 579) that prohibits taxes on natural gas motor fuel for five years, eliminates the current decal program, directs OPPAGA to complete a study on economic benefits and impacts by the end of 2017, and imposes a 21 cent tax in 2019. It also creates a \$6 million dollar incentive, 40% of which goes to governmental entities, through Department of Agriculture and Consumer Services. Applicants can qualify for \$25,000 per vehicle up to \$250,000 per year.

**Hydraulic Fracturing:** Legislation that would have required DEP to maintain a database of chemicals used in the "fracking" (hydraulic fracturing) process were it ever to occur in Florida failed. Companion legislation that would have exempted the database from public record laws also failed.



## **OPPOSE:**

### **-DECREASE OR RESTRICTIONS OF RED LIGHT CAMERA REVENUES TO LOCAL GOVERNMENT**

While an outright ban on red light cameras failed to move beyond its second committee of reference, an amendment that places certain restrictions and consumer protections relating to violations was passed through the Department of Highway Safety and Motor Vehicle Package. Municipalities are now prohibited from issuing right-on-red violations captured by cameras if the driver does in fact stop. Counties and municipalities must establish a hearing process in which citizens are afforded the ability to request an appeal within 60 days of receiving a notice of violation rather than having to wait until the notice has progressed into a ticket (as is the situation now). Municipalities are allowed to use their current code enforcement to serve as local hearing officers if they choose to. The Department must develop a model request for hearing form to be made available to local governments. In addition to the payments paid for the violations, municipalities are allowed to charge up to \$250 extra for costs associated with the hearing. The Governor signed the bill into law last week.

## **FUNDING:**

### **-WAVE DEVELOPMENT**

Through the funding of DOT's work program, the WAVE Streetcar received a \$25 million Public Transit Development/Grant. The WAVE is in the DOT work program for two more years, with next year's estimated amount rising \$27 million above this year's.

### **-BEACH RE-NOURISHMENT (FUNDING AND LEGISLATION)**

The budget included \$26 million in funding for beach re-nourishment and revitalization. A portion of the funding is directed to go to a Congressionally-approved Sandy cleanup project, called Broward-Segment II, which spans from Hillsboro Inlet to Port Everglades.

### **-JUVENILE JUSTICE**

While existing Juvenile Justice inequities were not addressed this year, the city/county did not incur any additional associated costs. Counties are closely tracking a recent DCA ruling addressing cost share.

### **ADDITIONAL PRIORITIES**

Additional priorities as laid out by the City:

## **SUPPORT:**



**-LOCAL REGULATION OF SHORT-TERM RENTAL PROPERTIES**

While legislation passed addressing condominiums, co-ops, and timeshares this year, it did not allow for us to address the issues with short-term rentals that the city commission brought up at their legislative workshop.

**-RESTORE FUNDING FOR SHIP**

The approved plan for distribution of \$200 million from the National Mortgage Settlement Funds included \$40 million in funding for SHIP. Originally, the Senate had proposed \$70 million in SHIP funding, however the House proposal failed to fund SHIP it all in favor of a down-payment assistance program. The two chambers agreed to a \$40 million compromise.

**-MUNICIPAL PARTICIPATION IN STATE ENVIRONMENTAL PERMITTING PROCESSES**

The Legislature passed a large Environmental Regulation package, HB 999, which the sponsor termed a "Christmas tree" because of its numerous provisions- many of which were stripped out before passage. Of the provisions taken out of the bill was a preemption of local government regulations of wetlands and fertilizers.

Unfortunately, language amended into the bill that would have forced beneficiaries of stormwater utilities to pay fees to local governments was also removed along with the more controversial sections. The language that was passed contained provisions that: capped the number of RAIs (Requests for Additional Information) that a local government can issue to engineers, architects, and landscapers regarding development permit applications unless applicants waive the cap in writing; prohibits local governments from using information revealed in applications to unfairly compete with recovered materials dealers for at least 90 days after applications are received and allows those dealers to seek an injunction against a local government in violation of the prohibition; allows event planners and boat show owners to get fee-exempt leases for temporary structures, such as docks, used for boat shows in marinas or government owned upland areas for no more than 30 days at 10 consecutive years; prohibits local governments from imposing duplicative or additional requirements on installation or abandonment of groundwater wells unless the local government has a delegated program; clarifies that water management districts are the sole authority in issuing permits for water wells- no matter the city. The bill also provides for an expedited permit process for natural gas pipelines, exempts permits for restoring seawalls that are 18 inches (rather than 1 ft.) from their original location.

**OPPOSE:**

**-DECREASE IN TAX BASE**

**Property Taxes:** The Legislature passed a bill (SB 342) that allows for the rental of homestead property for up to 30 days per year without losing homestead exemption status. This will have a minimal negative impact on local government revenue of an estimated \$0.1 million annually. Another bill passed this year will result in the



estimated loss of \$0.5 million in local property taxes- HB 1193- by making it harder to change the classification of agricultural lands to nonagricultural lands as well as removing the ability of the VAB to review lands classified by the property appraiser by its own motion. Another bill, by Rep. Rehwinkel-Vasilinda and Sen. Latvala, HB 277 implements a constitutional amendment passed in 2008 that renews an ad valorem tax exemption for the installation of renewable energy devices for properties. Originally, the bill included wind resistance but was narrowed down in the committee process. The impact to local government would not hit until latter fiscal years but it is estimated to be a -\$12.6 million recurring impact by 2018. Finally, SB 1830 makes several changes to ad valorem tax law including the implementation of the passed 2012 constitutional amendments. Three of the bill's provisions fiscally impacts local governments. First, a provision that exempts property taxes for property that is used exclusively for educational purposes is estimated to have a recurring negative impact of \$0.1 million. Second, a provision that closes an affordable housing tax loophole is estimated to have a recurring positive impact of \$117.2 million. Lastly, a provision that allows for assessment reductions for living quarters for parents or grandparents is estimated to have an insignificant positive impact.

**Manufacturing Equipment Tax Exemption:** One of the Governor's top priorities for 2013 was eliminating a tax on all manufacturing equipment regardless of proven growth. While multiple iterations were amended onto to different bills, HB 7007 ultimately became the successful vehicle. The amendment was adopted onto HB 7007 in the House, however, not with a two-thirds majority that some believed it needed due to its significant impact on local governments (estimated at \$13 to \$26 million per year). House staff has stated the two-thirds vote was not required.

#### **-FRANCHISE FEES, CST, AND LOCAL BUSINESS TAX COLLECTION REDUCTIONS**

The 2013 Session and interim committee weeks were filled with discussions of modernizing the 15-year-old Communications Services Tax. For local governments, CST is a vital revenue source that has been on the decline due to changing consumer behaviors and modern technology. For the communications industry, the CST is outdated with too much variation between jurisdictions that render it impossible for retailers to enforce and cumbersome for providers calculate. A CST working group comprised of representatives from all stakeholders, including local governments, issued a unanimous recommendation to repeal the tax, issue a flat rate across all jurisdictions, include new technology, and raise the sales tax to make up for any loss in revenue. Predictably, lawmakers were cool to the idea of raising the sales tax. One committee suggested tying CST reform to the Internet Sales Tax bill in order to maintain revenue neutrality. The House Appropriations Subcommittee on Finance & Tax vetted revenue-neutral conceptual language that it never filed. Regardless of all the discussions, none of the reforms proposed got very far this year. There will likely be more attempts next year.



HB 303 was an ambitious industry-favored attempt at CST reform by Sen. Richter and Rep. Grant that was never heard in committee. SB 290 would have modernized tax code to include taxing prepaid calling arrangements advanced but ultimately failed in the committee process. HB 807 would have ended a moratorium on collection of prepaid wireless in order to use the revenue to fund E-911 services. The House passed HB 807, however it had no Senate companion. SB 1070 would have, conversely, extended the moratorium. Both bills died before making it to the floor.

The House Appropriations Subcommittee on Finance & Tax filed a committee bill that would have simplified the Local Business Tax, reducing industry codes and making the tax more consistent across jurisdictions. The committee took input from the business community, League of Cities and Florida Association of Counties in crafting the language. However, the bill never moved beyond the one committee. Rep. Grant and Sen. Richter's failed attempt to revamp the CST also would have modified the collection of franchise fees.

## **FUNDING**

### **-CRIME REDUCTION**

The Broward Sheriff's Office was allocated 13,065,620 from a DCF grant and \$1.5 million in non-recurring general revenue for Child Protective investigations.

### **-TRANSPORTATION ENHANCEMENTS FOR GREENWAYS AND STREET INITIATIVES**

No greenway or street initiative funding was allocated to Fort Lauderdale.

### **-FLOOD PREVENTION AND HAZARD MITIGATION**

The Department of Emergency Services was allocated \$3.34 million for areas with repeated flood claims, over \$6 million for flood mitigation assistance program, \$1.5 million to FIU to enhance its predictive hurricane models in order to more accurately predict flood hazards. Many specific flood mitigation projects were vetoed by Governor Scott for not "contributing to a statewide objective."

### **-RIVERWALK**

Riverwalk funding was not addressed this Session.

### **-FLL MARINE INDUSTRY**

The marine industry was a big supporter of HB 999- which has been signed by the Governor. HB 999 simplifies and improves permitting for boat show leases and permits, seawall improvements, multi-family docks, and managed public mooring fields.

### **-WATER SEWER AND STORMWATER INFRASTRUCTURE IMPROVEMENTS**



The Legislature funded \$100,000 for Fort Lauderdale's Seven Isles Seawall Improvement water project. Unfortunately, Governor Scott vetoed water projects that did not "contribute to a statewide objective."

**ADDITIONAL ITEMS FROM 2013 LEGISLATURE:**

An update on local government and general legislation not included thus far:

**FRS Reform:** Reforms for the FRS pension system, which was a top priority of House Speaker Will Weatherford, died this year but will return next year. The House passed a plan that would eliminate the defined benefit plan option entirely for all new employees and place them in a 401k-style plan. However, the Senate plan defaulted new employees to the 401k-style plan but left the defined benefit plan as an option. The Senate sponsor attempted to amend the Senate bill to align it with the House bill but failed to garner enough support.

Proponents of FRS reform claim the time is now or never for reform because inaction now could lead to desperation in the future. They point to the state having to spend \$500 million a year to keep the pension system solvent, money that they say could be going to other critical areas. They also claim the pension system is outdated, and the 401k-style system is more in-step with current times. Opponents counter there is no reason for pension reform. They point to actuarial analyses that show the Florida pension system as one of the healthiest in the country. They also claim that, while a 401k-style system offers a better choice for younger employees that only work for the state for a year or two, the defined benefit plan is a needed option for those who dedicate their lives to public service.

Speaker Weatherford is committed to bringing the issue back next session.

**Wage Ordinance Preemption:** HB 655 preempts all local employee benefits ordinances to the state with the one exception of domestic violence ordinances. The language does not prohibit local governments for passing ordinances related only to their employees and the employees who work for businesses that contract with that particular government, however. The Senate and House were originally divided in that the Senate only wanted to preempt family medical leave and the House wanted to preempt all employer sponsored benefits. The broadening of the preemption but watering down of the language was a result of a compromise between the two. The bill also establishes an Employer-Sponsored Benefits Task Force comprised of small and large business representatives, a union representative, a physician and agency representatives to study the policy issues and issue recommendations. HB 655 resulted from a pro-ordinance petition signed by thousands in Orange County.



Another measure that would have preempted all local wage theft policies implemented after January 2013 (which effectively carves-out Broward County's wage theft ordinance) to the state failed in the final days of session.

**Preferences in Award of Contracts:** Lawmakers looked at more than one bill that would have preempted local procedures related to awarding government procurement contracts this session. HB 307 and SB 684 would have prohibited local governments from using local business preferences however it would have also mandated that a preference for Florida businesses be given. The bill sponsors argued that the preferences kill competition and hurt small businesses who do not have the means to set up local shops everywhere as large businesses do. The Florida League of Cities opposed the bills because they were both preemptions and a mandate. The bills both died in committee. Additionally, HB 1017 would have preempted local regulation of the procurement process by forcing a local business preference, though the preference could have been broken for the lowest best possible bid. The bill died in its final committee.

**Building Code:** Cities and towns will now have to specify in a building contract which type of wood it will use for a public works project using wood. The municipality will also need to use a native Floridian wood unless it cannot find any adequate to meet its needs. While the bill doesn't fiscally impact local governments, it does lengthen the permitting and contracting process for public construction. The bill also encourages the use of environmentally friendly building materials.

**Alarm Systems:** Local governments are now required to offer basic permits for low-voltage alarm systems at a set price of \$55 dollars and allows for a transition period where cities who must reduce their prices to achieve the \$55 dollar mark can charge up to \$175. Permit requirements can also now be circumvented for certain alarm systems causing some public safety worries.

**Internet Sales Tax:** Legislation that would have imposed a tax that is currently on the books for "mail order" catalogues no longer widely used on online retailers that do not currently have to collect taxes. The "Internet Sales Tax" bill will be back next year (it's fourth year in a row) and is backed by the business community out of fairness for brick-and-mortar businesses who must collect taxes on the same products that online retailers can avoid collecting on. The bill was amended to include the Governor's desired tax break on manufacturing equipment in order to offset the raise in taxes. The tax break was passed in an economic development package instead.

**Law Enforcement Assessment Fee:** A Broward County city carried a local bill that would have allowed cities the option of using a law enforcement assessment to offset their millage rates used to pay for police protection. The bill received its first House hearing after 4 years in the House Local & Federal Affairs Committee. While the bill was not taken up for a vote due to staff objections of it being a local rather



than general bill, Chairman Garcia and the majority of members on the committee spoke out in support of the concept and a desire to see the issue return as a general bill next year. Police protection is one of the largest portions of municipal budgets, and many cities across the state are approaching their millage rate cap. The bill will help relieve a millage rate crisis while implementing a fairer system for funding police services.

**Elections** The Legislature passed a bill to alleviate the long wait times at the polls that some communities experienced in the most recent Presidential election. The bill gives local Supervisors of Elections more discretion in determining early voting sites and number of early voting days. It also caps the number of words on the ballot, requires early voting numbers be uploaded (but not reported) prior to Election Day, and eases registration restrictions among other reforms. The Senate added a provision to crack down on wayward Supervisors of Elections, but the House stripped the provision out- to which the Senate agreed in order to get the package passed.

**Campaign Finance** A top priority of Senate President Don Gaetz, legislation that is intended to clean up campaign finance laws has already been signed into law. The bill eliminated CCEs; raised contribution limits from \$500 to \$3000 for statewide races and \$1000 for legislative and local races; required significantly more financial disclosures to be filed at a much greater frequency than before. The bill also, controversially, allows incumbents to carry over up to \$20,000 towards their next race. Originally, the House wanted to raise the contribution limits from \$500 to \$10,000, however both the Senate and Governor indicated an unwillingness to support such a measure.

**Ethics** Legislature passed an ethics reform package (SB 2) for State officials that has been signed into law by the Governor. The package includes a provision that prohibits a state public officer from voting on issues in which he or she could experience private gain or loss as well. Public officials will also be required to disclose any conflicts of interest prior to taking a vote on the issue or, if it isn't possible to disclose the information prior to, within 15 days after the vote. The law also allows elected officials to create a "blind trust" for their assets in order to help avoid such conflicts in voting. The reform package also requires financial disclosures be scanned and placed online. The bill gives the Ethics Commission more teeth in enforcing requirements and timelines by authorizing it to utilize legal collections procedures such as garnishment of wages, liens on properties, and contracts with a collection agency. The Ethics Commission can also investigate an allegation that originates with the Governor, FDLE, state attorney or U.S. Attorney. Such allegations may not be filed within 30 days prior to an election unless it can be proven to be based on information that is more than heresy. The new law also requires an annual completion of ethics training, extends the two-year lobbying prohibition to cover the Executive branch and its agencies, prohibits legislators to accept a job



with any political subdivision that is being offered in order to gain influence, and establishes gift ban laws relating to the procurement process.

**Public Meetings** The Legislature passed a bill that requires a governing board to provide a reasonable opportunity for citizens to testify at a public meeting before action is taken on an item.

**Human Trafficking** 2013 is a bad year to be a human trafficker in the State of Florida. The Legislature passed a series of bills designed to fight the horrific practice. The bills crack down on fake massage parlors that are fronts for human trafficking rings as well as give greater protections to human trafficking victims by shielding their identities, protecting information shared with counselors, and expunging their records of forced wrongdoings. The new massage parlor regulations (HB 7005) prohibit business operations between midnight and 5 a.m. unless they are for a county or municipal approved special event, prescribed by a physician or other specified healthcare personnel, located at health care facility, health care clinic, hotel, motel, bed and breakfast inn, timeshare property, public airport, or a pari-mutuel facility. Individuals are now prohibited from declaring a massage parlor as a principle domicile unless the business is located in an area that is zoned for residential purposes.

**Texting and Driving** After years in the making, the Legislature finally passed a tempered version of a texting while driving ban. First, the offense is secondary, meaning one must be pulled over for another violation before being issued a ticket for texting. Second, phone records cannot be accessed except in the case of a serious accident- the result of a last minute amendment tacked on by the House and agreed to in the Senate.

**Red Light Cameras** An outright ban on red light cameras failed as well as did stand alone bills that increased citizen protections. However, an amendment added onto the DHSMV package passed that prohibited right on red turns and established a hearing process (please refer to the Transportation section for more details).

**Firearms** No bills to ban assault weapons and ammunition moved this session. Neither did any legislation that would have repealed the prohibition on local government regulation of firearms. However, a bill that bans individuals who voluntarily checked themselves into a mental health institution from purchasing guns did pass and with the support of the Florida NRA.

**Loud Stereos** A proposal to allow local governments to regulate the volume of car stereos died in a heated 19-19 vote in the Senate. Proponents argued the regulations gave police officers "another tool in the toolbox" in keeping the peace, while opponents worried about selective enforcement.



**Developer friendly legislation:** The Legislature passed HB 319, which preempts local transportation concurrency and proportionate-share policies by requiring a “pay and go” system for both concurrency and alternative mobility plans as well as prohibits a project from being stopped if a developer has paid his or her impact fees. It restricts the calculation of fees to the capital improvement impacts of the current developer paying (rather than maintenance being factored in), but allows developers to pool their money in order to pay for projects and also allows projects to fall outside of the designated deficiency area. Another developer friendly bill, HB 321 would have placed a three-year moratorium on charging impact fees to all new developments that were 6,000 square feet or less. The intent of the bill was to encourage more “mom and pop” developments. The language was amended in an attempted compromise with local governments in that the moratorium could be lifted by a majority vote of the governing board or should the developer elect out of it, or if any bonds or contracts would be affected by it. HB 321 was passed out of the House but died in the Senate. The House also passed a bill, HB 7149, which would have exempted state-run universities from paying any impact fees to municipalities using the argument that universities boost economic development for local areas. Fortunately, the Senate refused to hear the bill in its chamber as it would have resulted in major struggle to maintain infrastructure needs in affected municipalities.

**Referendums on Local Comprehensive Plans:** A glitch from previous legislation opened up the planning process to public referendum. A bill passed this year (HB 357) will ensure that only local governments are making decisions when it comes to planning out their communities by prohibiting public referendums on map amendments and local comprehensive plan amendments unless of a certain size unless addressed in the local governments charter.

**Development Permits:** The Legislature passed a bill (HB 7019) which responds to FEMA concerns for emergency floods by requiring local governments to place disclaimers on development permits in flood zones and requiring that all applicable permits be obtained before development commences. The bill was amended to allow DOT to construct “communications facilities” along railways. It was also amended to incorporate developments next to a sports facility with in the facility’s lease with counties.

**State Owned or State Leased Space:** Rep. LaRosa and Sen. Hays failed at an attempt (SB 584 and HB 901) to force local governments to inventory all underused space down to the square footage. The intent of the legislation was to create a DMS database that would have local governments determine whether or not there is public space to that is being underused that could meet its needs. In the end, the bill passed with only language that applied to state agencies rather than all political subdivisions.



**Economic Development** Lawmakers, particularly in the Senate, put economic incentives under the microscope this year as they called for greater transparency and smarter controls. The House and Senate only funded about 25% of Governor Scott's request for incentive funding. The Senate attempted to repeal a large insurance industry tax break but was rebuffed by the House. The Senate Commerce & Tourism, Finance & Tax Appropriations Subcommittee, and Transportation and Economic Development Appropriations Subcommittee all conducted discussions on incentives to find out their efficacy. The legislature ultimately passed two extremely similar economic development packages (SB 406 and HB 7005) that not only grant incentives but also brings some accountability to incentives as well. The bills contain a back-to-school sales tax holiday and incentives for rotary aircrafts, the space industry, and spring training. It allows local government designation of brownfields as part of the definitions for tax exemptions in mixed use and housing projects. Both bills require OPPAGA and EDR to provide detailed analyses of each economic incentive every three years to determine if and how it is achieving the desired result. The analyses are to be published on a website maintained by DEO. Other controls prevent the Department head from approving incentive requests. Additionally, the new law requires DEO to review all applications for Section 108 loans gained from Community Development Block Grants and that cities pledge at least half of the money necessary to pay for a Federal loan default. It makes several changes to the Small Business Development Center Network such as the make up of its board and the supportive services it is to provide Florida's small businesses. The bill also contains the Governor's tax break on manufacturing equipment but only for three-years. The legality behind the process of amending the manufacturing tax break onto the bill, however, is currently in dispute. According to House Democrats, the rules state that floor amendments require a two-thirds majority for the amendment due to its impact on local governments, and the manufacturing amendment was still added onto the bill despite not having enough votes to constitute two-thirds. According to House Republicans, the two-thirds requirement does not apply. House Democrats have threatened to challenge the vote in court- which could add up to \$100 million fiscal hit to the state within the first year- but it has yet to remain seen if action will actually be taken. Lawmakers also passed a bill to authorize local manufacturing development plans that will involve coordination with DEO to help further bolster the manufacturing industry in Florida.

**Condo Law and Mortgage Holders' Responsibilities:** This year, Rep. Moraitis and Sen. Altman passed an omnibus condominium and cooperatives association bill (HB 73), which was unable to pass last year due to a provision that would have strengthened Safe Harbor liability limits for lenders. Instead, Rep. Moraitis filed his Safe Harbor language in a separate bill (HB 1339) that never made it out of the committee process. The bill would have protected mortgage holders from paying interest, administrative fees, attorneys fees or any other cost or fee that became due prior to the lender's acquisition of title. The bill would have also extended lender liability to cooperatives, allowed condo associations to access abandoned property. The omnibus condo bill speaks mostly to liabilities of mortgage holders of primary



and secondary associations formed out of condos within condos. It does however, state that owners can be charged for construction costs for necessary improvements similar to an assessment. The bill eliminates a deadline for elevator retrofitting. It also addresses elections issues, budgetary thresholds, access to records and directory information, repair costs, suspension of rights, hurricane protection, and lease/ land purchases by associations. Also, Rep. Passidomo's foreclosure process speed-up finally passed on its third-year attempt. The bill has a provision that will allow condo associations and HOAs to initiate the expedited process. The bill also shortens the time period banks are allowed to collect losses to one year from 5 years and requires the bank to produce the note at the time of foreclosure. The bill also requires a judge to review filings without a hearing prior to either party showing cause why a final judgment to be entered. If the borrower does not have a case, a judge can enter a final judgment quickly. If the borrower does have a case, however, the judge is required to hear it.

Additionally, Rep. Fitzenhagen and Sen. Latvala passed a bill (SB 120) that will clear up case law surrounding "phantom condo units" that are constructed before the condo is considered existing. The bill brings condos into existence at the time the declaration of condominium is recorded. It then ties the time period for the following to occur to the date of the surveyor or mapper's certificate or the recording of the first owner's deed -whichever is first- rather than the date of declaration: action to correct mistakes or omissions in the declaration, waiving of financial reporting requirements for associations in condos for which a developer has not turned over control, waiving the developer's funding of reserves, turnover of association control, and the 12-month period in which acquiring memberships, leaseholders, and the like does not constitute material alterations. The bill also requires all phases be complete within 7 years of a surveyor's affidavit of substantial completion-unless extended to up to 10 years if unit owners agree.

**Citizens Property Insurance** The Legislature passed a citizens insurance bill (SB 1770) that maintains current rate-caps, increases internal oversight and accountability, and is intended to shed a full one-seventh of policies onto the private market. It allows coverage for properties up to \$700,000 in value, prohibits coverage of new structures closest to the beach, requires policy holders to sign a document indicating awareness of liability risk, and establishes a clearinghouse for the least risky policies.

**National Mortgage Settlement Funds and SHIP** In addition to \$40 million for SHIP, the \$200 million National Mortgage Settlement Fund spending plan includes: \$60 million for SAIL, \$20 million for Habitat of Humanity, \$10 million for competitive grants for counties and cities for homelessness housing, \$10 million competitive grants for counties and cities to upgrade housing developments for disability access, \$10 million for domestic violence emergency shelters, and \$9.1 million for Take Stock in Children to grant advance payments for low income youth going to college to secure apartments. To relieve the foreclosure backlog: \$16 million for more



judges, \$9.7 million for clerks to expedite cases, and \$5.2 million for technology upgrade to the state court system.

**Affordable Housing** The Legislature was also able to pass a community development bill (HB 437) that not only fixes the affordable housing glitch that allowed for-profits to take advantage of a tax credit intended for nonprofits such as Habitat for Humanity, it also make several changes to the Florida Housing Finance Corporation to aid in affordable housing development. Meanwhile, a bill that would have provided liability protection for rehabilitation of brownfield areas and revised the local government designation process of the area failed. Brownfields designated by local governments were specified, however, to receive tax exemption on building materials needed for rehabilitation and the brownfield redevelopment bonus fund.

**Neighborhood Improvement Districts** A bill failed that would have aided in the establishment of Neighborhood Improvement Districts for both residential and commercial areas. While the bill passed out of the Senate, it unfortunately died in the House.

**Environmental Budget** In addition to the \$26 million for beach restoration projects (including along the coast of Broward County), the environmental budget also contained \$70 million for Everglades Restoration, \$20 million for the Florida Forever program, \$10 million for springs restoration, \$11 million for the Rural and Family Lands program and \$58 million in various water projects (which were vetoed by the Governor).

**Everglades** The Legislature also passed a plan to implement the Governor's Everglades Restoration program approved by the Federal Government last year. The plan began with controversy due to a dispute between environmental advocates and sugar industry advocates on how much the sugar industry should pay in polluters tax (or Agricultural Privilege Tax) dollars. However, a compromise was reached between the stakeholders.

**Teacher Raises** \$480 million was allocated for teacher and other personnel salary raises to be distributed in June 2014 based upon performance evaluations. Up to \$2,500 is to be given per teacher rated "effective" and \$3,500 for teachers rated "highly effective."

**School Resource Officers/ Safe Schools** In light of the horrific Newtown tragedy, the Legislature held a number of discussions and filed a number of bills addressing school safety and SRO funding. None of the bills passed and very few moved at all. Governor Scott requested an additional \$10 million to be placed in the Safe School program, however the increase was not funded and the usual \$64.5 million dollars was allocated for the Safe School program. The program distributes funds to local school districts to be allocated at their discretion for enumerated school safety programs that include not only SROs but also other security measures and upgrades



as well. A majority of the funding is distributed evenly and the remaining funds are distributed based upon the crime index.

**Internet Cafes:** As the result of uncovering a \$300 million dollar illegal gaming scheme that was operating as an internet café catering to veterans organizations, the Legislature found the political will to clear up the gray areas of statute that have allowed internet cafes to operate in the state. The ban resulted in around 1,000 cafes closing their doors amidst the protests of job losses. Chairman Richter, of the Senate Select Committee on Gaming, stated that internet cafes have always been illegal because gaming is illegal unless explicitly made legal- which internet cafes never were. The bill was fast-tracked out of both chambers and passed early on in the Session.

**Medicaid Expansion:** The Healthcare Budget does expand Medicaid, however it does not include a plan that will accept Federal dollars for PPACA Medicaid Expansion, leading to a possible special session later on in the year.

The Legislature crafted and thoroughly debated two different plans for Medicaid Expansion as required under the Federal PPACA implementation with House favoring one plan and the Senate (and Governor) favoring the other. The House passed the Florida Health Choices Plus program (HB 7169), also known as the "Corcoran Plan," which gives Floridians who qualify at 100% of the Federal Poverty Level subsidies to use to purchase private insurance. The idea behind the plan is that a new market will emerge to cater to the new demand, and the free market laws will eventually translate into competitive plans at affordable prices. Members of the House harbor a severe distrust of the Federal Government and its ability to meet its future fiscal obligations, therefore the Corcoran Plan rejects the billions of dollars being offered by the Federal Government for expansion. House members also view the Medicaid program as a broken system with questionable outcomes. The House's position is highly partisan, with all Republicans but one voting for and all Democrats voting against the plan. In protest of the House's position, the House Democratic caucus made a parliamentary motion that resulted in many bills dying in the last week of session. The Senate and House both approved a \$900,000 appropriation for the program as seen in SB 1844.

The Senate passed the Healthy Florida program, also known as the "Negron Plan," which would use the Florida Healthy Kids Corporation to build off of the Medicaid managed care reform from recent years and oversee the program. The program would cover up to 1 million Floridians, a significantly higher population than what the House plan covers. The plan also accepts the billions of dollars being offered by the Federal Government to fund the first years of implementation, and the Federal Government has indicated a willingness to work with the plan despite it not exactly following Federal requirements. The Senate originally passed two plans, one rejecting Federal dollars and one accepting Federal dollars, out of the hopes that a



compromise with the House would emerge. The Healthy Florida program enjoyed bipartisan support in the Senate as well as the Governor's support.