

MEMORANDUM

TO: NAIOP
FROM: GrayRobinson
DATE: January 15, 2018
SUBJECT: 2018 Legislative Session – Week 1 Summary

With the first week of the Legislative Session coming to a close, both chambers have advanced priorities of their respective leaders. Senate President Joe Negron's prioritized higher-ed package -- Sen. Bill Galvano's SB 4 -- passed unanimously in the Senate Thursday. The bill would provide for several changes to publicly-funded colleges and universities, including a permanent expansion of Bright Futures to cover full tuition for some recipients.

House Speaker Richard Corcoran's prioritized HB 9, a bill that would reprimand city officials if they do not comply with the federal government's immigration policies, and it cleared the House floor Friday after contentious debate. A Senate version of that package has not yet received a committee hearing but has Senate President Negron's support.

Another Speaker priority, a bill (HB 17) requiring new community redevelopment agencies be spawned by the Legislature, also passed the House floor. Finally, on Thursday, the House, in an unprecedented move, approved a subpoena for the financial records of a firm hired by Visit Florida to produce the cooking show "Emeril's Florida." Below are issues related to our work for you and other hot topics addressed during the week.

Activities and Bills related to NAIOP

Permit Reform

A version of Georgia's FAST Act (regarding Permit and Inspection Reform) is getting finalized for a workshop in the House Local, Federal & Veterans Affairs Subcommittee. The Committee chair has requested NAIOP representatives front and center to talk about the opportunities and challenges in the commercial development world. This committee meeting will take place during NAIOP days on Wednesday, January 24, 8am – 11am. This is a great opportunity for NAIOP to raise its profile in Tallahassee.

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Bills of Interest

Community Redevelopment Agencies – SB 432 (Lee) - Representative Raburn filed similar legislation in the House (HB 0017). The bill, among other things, creates scenarios by which CRAs are eliminated creates transparency and lobbying regulations to apply to all CRAs. A similar bill passed the House during the 2017 Legislative Session, but fell short in Senate. The Senate bill has four committee references. The House bill is a Speaker priority and has just one committee stop: Government Accountability.

UPDATE: The Senate bill is still waiting on a hearing in Appropriations Subcommittee on Transportation, Tourism and Economic Development. The House passed it on the floor by a vote of 72-32.

Tax on Commercial Real Property – HB 409 (Ahern) –This bill would exempt from sales tax the first \$10,000 of total rent in year 2019, the first \$20,000 in year 2020, and continues up to \$90,000 in 2027. This is the same “stair step” approach that Representative Ahern has proposed in previous sessions. The bill has two references: Ways & Means and Appropriations Committee. The Senate companion is SB 902 by Keith Perry and has three references: Community Affairs, Appropriations Subcommittee on Finance and Tax, and Appropriations.

Economic Development and Tourism Promotion Accountability – HB 3 (Grant (M)) – This bill would provide transparency and accountability requirements for local tourism and economic development organizations, similar to those adopted for Visit Florida and Enterprise Florida during the 2017 Special Session A. **Update:** The House Ways & Means Committee passed this bill 15-5 on Tuesday, January 9. Its next stop is the House Floor. Senator Keith Perry filed the Senate version on January 5 and it received committee references on January 12: Commerce & Tourism; Appropriations Subcommittee on Transportation, Tourism and Economic Development; Appropriations; and Rules.

Florida Building Commission – HB 299 (McClain) – This bill would revise the membership of the Florida Building Commission (from 27 to 11) and qualifications thereof (changes for architects and electrical contractor members). Specifically, the bill removes members representing the following:

- Air-conditioning or mechanical contractors;
- Two of the municipal or district code enforcement officials, including a fire marshall;
- The Department of Financial Services;
- County code enforcement officials;
- The representative for persons with disabilities;
- Manufactured buildings industry;
- Mechanical or electrical engineers;
- Municipal or charter counties;

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- Building products manufacturing industry;
- Commercial building owners and managers industry;
- Public education;
- The green building industry;
- The natural gas distribution system; and
- The Department of Agriculture and Consumer Services' Office of Energy.

The bill also amends:

- The qualifications of the architect member from an architect who is “registered and actively practicing in the state” to an architect who is “licensed in the state and has at least 5 years of experience in the design and construction of buildings containing Group R occupancy(ies) at or above 210 feet above the lowest level of emergency service access.” A Group R Occupancy is any building containing sleeping units either for permanent dwellings or transient occupancy; and
- The qualifications for the electrical contractor member from an electrical contractor to an electrical contractor “or an electrical engineer.”

UPDATE: The House bill is awaiting a hearing in the Commerce Committee. There is still no Senate companion.

Business Rent Tax – SB 60 (Hukill) and HB 939 (Toledo) – This bill, if passed, would reduce the Business Rent Tax from 5.8 percent to 5 percent. The bill has three references: Community Affairs, Appropriations Subcommittee on Finance and Tax, and Appropriations. We expect other bills to be filed related to the Business Rent Tax. **UPDATE:** Neither the House or Senate bill has moved.

Growth Management – HB 207 (McClain) and SB 362 (Perry) – This bill’s focus is on private property rights. It proposes amending section 163.3167, *Florida Statutes*, to require that local governments address in their comprehensive plans the “protection of private property rights.” It further requires that cities and counties adopt a “property rights element” that will set forth principles, guidelines, standards and strategies to guide the local government’s decision and program implementation. The House bill has three committee references: Agriculture & Property Rights Subcommittee; Local, Federal & Veterans Affairs Subcommittee; and Commerce Committee. The Senate bill has three committee references: Community Affairs, Environmental Preservation and Conservation, and Rules.

Impact Fees – SB 324 (Young) – This bill, if passed, would require that the earliest a government can collect impact fees is the issuance of the certificate of occupancy for the property. There is no House companion yet. The bill has three references: Community Affairs;

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Appropriations Subcommittee on Finance and Tax, and Appropriations. Representative Mike Miller filed the House companion to this bill (HB 697). It has three references: Local, Federal & Veteran Affairs Subcommittee; Ways & Means Committee; and Government Accountability Committee. **UPDATE:** On Wednesday, the House Local, Federal & Veterans Affairs Subcommittee took up and unanimously passed it. The Ways & Means Committee is scheduled to take up the bill on Wednesday, January 17.

Private Property Rights – SB 292 (Rodriguez) – This bill would exempt from the definition of “public utility” property owners that own and operate renewable energy source devices, that produce renewable energy from that device, and provide and sell such renewable energy to users on that property. There is no House companion yet. This bill has three committee references: Communications, Energy, and Public Utilities; Community Affairs; and Rules. **UPDATE:** This bill has not yet moved.

Municipal Conversion of Independent Special Districts - SB 84 (Lee) – This bill does not have a direct nexus to NAIOP. However, anything that could affect the formation of a new municipality, and thus, a new regulating entity, is relevant. This bill, if passed, would require that when independent special districts seek conversion into a municipality, they must have at least 1,500 citizens in counties with less than 75,000 citizens, or 5,000 citizens in counties with more than 75,000. This bill has three committee references: Community Affairs; Ethics and Elections; and Rules. **UPDATE:** This bill has not yet moved.

Rural Economic Development Initiative – SB 170 (Grimsley) – This bill makes several changes to the Rural Economic Development Initiative statute. What is relevant to NAIOP is that this bill would remove the limitation on the number of designations available. If passed, it is conceivable that additional REDIs could be established, and that would create a better opportunity for commercial development. The bill has four committee references: Commerce and Tourism; Agriculture; Governmental Oversight and Accountability; and Rules. **UPDATE:** The Senate Agriculture Committee passed this bill 6-0 on Thursday, January 11.

Summary of Week 1

It's A Full House of Bills

House Bill 5 and House Bill 7003, bills that would place new lobbying restrictions on state and local lawmakers as they exit office along with further ethics constraints, and HB 13, which would prohibit sports franchises from constructing, reconstructing, renovating or improving facilities on public lands, also passed. All three bills were part of Corcoran's first-week priorities.

Contrasting to the Senate, which did not meet Friday, the House passed several other notable bills, including:

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- HB 7, setting new barriers to local tax increases;
- HB 19, which would eliminate the state's no-fault auto insurance system;
- HB 6001, eliminating the state's red-light camera law; and
- HB 41, requiring the Florida Department of Health to contract with the Florida Pregnancy Care Network.

Environmental Package Continues to Flow Through Senate

The Senate Appropriations Committee Thursday passed Senate budget chief Rob Bradley's Florida Forever funding bill, sending it to the full chamber. SB 370 appropriates \$100 million annually for land acquisition and conservation.

Other efforts such as beach renourishment or to protect the St. Johns River are not included in the \$100 million, Bradley said later. Bradley amended the bill to say that the Land Acquisition Trust Fund may not be used to cover administrative overhead costs. Its next stop is the Senate floor.

Constitution Revision Commission

The Legislature's activity this week was matched by committees within the Constitution Revision Commission (CRC), which were busy hearing proposed amendments ahead of its second statewide tour, beginning Feb. 6.

The CRC's Finance and Tax Committee, in a 3-2 vote, cleared a proposed amendment (Proposal 94) filed by Rep. Jeanette Nunez, which requires that twenty percent of the fifteen percent received from the tobacco settlement for tobacco prevention be used for purposes related to the research and treatment of cancer.

The Judicial Committee of the CRC unanimously voted against an amendment (Proposal 23) that would have expanded the right to bring environmental-related lawsuits.

The Opioid Epidemic

House Democrats on Thursday rolled out a legislative package to combat the state's opioid abuse epidemic. The package provides for placing addiction warning labels on prescription bottles, charging a new court fee to help smaller counties deal with the problem and an application to the feds for more money to expand treatment, among other ideas.

Don't Text & Drive!

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Bills cracking down on texting while driving in Florida cleared committees in both chambers this week with unanimous support.

Clearing the Senate Committee on Transportation, SB 90 would allow police to pull over and ticket drivers who are texting, which is currently only a secondary offense in Florida. Rep. Jackie Toledo's House companion (HB 33) cleared the Transportation and Infrastructure Subcommittee

Appropriation Project Bills Update

As of Friday, 1314 House appropriations project bills have been filed, totaling \$2,275,675,262 in funds requested. A total of 146 bills have met the minimum requirements, favorable report in subcommittee, for inclusion in the House's proposed Budget.

Preview of Week 2 (January 16)

Hurricane Relief and Preparedness

On Tuesday, a House committee to improve the state's hurricane preparedness, set up in the wake of Hurricane Irma, will pour over 12 pages of recommendations. Proposals include extending a Tampa Bay area toll road to the Georgia border, creating gas reserves, and mandating all health care and assisted living facilities to have emergency power sources. Another suggestion is for gas stations to charge the same amount for all grades of gas during emergencies.

Senate Addressing Opioids

Florida's worsening opioid crisis is on a Senate committee agenda. The Senate Health Policy Committee will hear SB 8, which requires physicians to prescribe only a three-day supply of opioid-based medications, which can be increased to seven days cases of acute pain. All opioid prescriptions of more than three days would be marked "medically necessary," and doctors would be required to take additional training for dispensing potentially addictive medicines.

Other Bills on the Week's Agenda

— The House Post-Secondary Education Subcommittee will hear a bill Wednesday revamping Florida's higher education system. Among other changes, (HB 423) would increase state financial for highest-performing Florida students attending state colleges or universities.

— Also Wednesday, the Senate Regulated Industries Committee will consider SB 840, which would legalize fantasy sports in Florida. The legislation would allow "decoupling" — dog tracks can keep poker rooms without the requirement of having live racing.

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— A ban on fundraising during Session will be heard by the House Oversight, Transparency and Administration subcommittee Wednesday. Currently, only legislators are banned from raising money during Session. HB 707 would extend that to the governor and other statewide elected officials.

— The same day, the House PreK-12 Quality Subcommittee will hear a proposed constitutional amendment that sets term limits for School board members.

— On Thursday, a pair of gun bills is on the schedule of the Senate Judiciary Committee. SB 1048 would allow guns on a private school campus if the school is run and operated by a church or religious institution.

— Also, the Senate Appropriations Subcommittee on Higher Education will consider SB 540 this week, a bill affecting all Florida's 28 colleges. Among the changes are setting up a new statewide regulatory board and putting enrollment limits on four-year degrees.