

MEMORANDUM

TO: NAIOP
FROM: GrayRobinson
DATE: February 18, 2018
SUBJECT: 2018 Legislative Session – Week 6 Summary

It's crunch time for the Legislature, and members in both chambers know that if they'd like to see their priorities passed this Legislative Session, their bills at this point should be moving through committees with due haste.

The Florida Senate preemptively cancelled a floor session set for Wednesday of this week to give lawmakers more time to work on bills in separate committees. The Florida House, in session on Wednesday, rolled several pieces of legislation to a vote, quickly approving them through the process. Two notable proposals made it out of the House:

- **Marriage of minors** - The Senate already approved a bill (SB 140) that would ban the marriage of anyone under age 18 in the state. In contrast, the House passed an amended version that allows minors ages 16 and 17 to marry in cases when there is a pregnancy and the partner is no more than two years older than the minor. Senate Rules Chair and sponsor of the complete ban on child marriages Lizbeth Benacquisto said she finds the House's package "troubling." The issue has attracted national media attention to the Legislature, but it's unknown now whether the chambers will come to an agreement.
- **Daylight saving time** - The House passed a bill (HB 1013) that would request the federal government to allow Florida to observe daylight saving time year-round. The Senate version (SB 858) also appears to have support. It cleared a committee unanimously this week and has one more panel stop before consideration of the Senate floor.

Lastly, it's worth noting that two major pieces of news have changed the backdrop of legislative activity in Tallahassee.

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Lawmakers began this week with information that the state will collect an estimated \$462 million more than anticipated during the next two years. The change in revenue forecast is attributed to increased economic activity following Hurricane Irma and additional dollars collected from casinos in the state.

Unfortunately, this good bit of news was met later in the week with the tragic high school shooting in Parkland. The event could affect how the Legislature operates through the rest of Session. On Thursday morning Senate leaders announced their support for a \$100 million package that would fund mental health screening, counseling and training and the “hardening” of Florida schools. With 17 days left, this incident in Parkland will continue to change the trajectory of the Legislature.

Below are issues related to our work for you and other hot topics addressed during the week.

Activities and Bills related to NAIOP

Business Rent Tax Reduction in House Tax Package

As reported earlier this week, the House tax package (WMC 3) includes a reduction in the business rent tax from 5.8 to 5.5%. GrayRobinson testified in committee to support this bill. It will now be moved towards the House floor and eventually arrive in the Senate to be negotiated. We are already working with the coalition members to put the best effort forward to convince the Senate to accept this position.

For those that have relationships with Senators, now is the time to make those calls and ask that they not only support the BRT reduction, but advocate for it.

Developments of Regional Impact – HB 1151 (La Rosa) and SB 1244 (Lee) – The House bill repeals, creates, and revises provisions for statewide guidelines, standards, & requirements for developments of regional impact relating to authorizations to develop; applications for approval of development; concurrent plan amendments; preapplication procedures; preliminary development agreements; conceptual agency reviews; local notice & regional reports; developments inside & outside areas of critical state concern; local government development orders; construction of mitigation facilities; impact fee & exaction credits; comprehensive development applications & master plan development orders; abandonment of developments; dense urban land area exemptions; Florida Quality Developments & Quality Developments Review Board; Administration Commission guidelines & standards; state land planning agency agreements; Florida Land & Water Adjudicatory Commission requirements; local government permit approvals & extensions, reviews & certifications; and uniform reviews of developments by state land planning agency & regional planning agencies. **UPDATE:** The House version is waiting for a hearing on the floor. The Senate version is awaiting a hearing in Appropriations.

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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 January 12 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 took up and passed its bill by a vote of 87-20 on January 25. The Senate Bill is awaiting a hearing in Appropriations Subcommittee on Transportation, Tourism and Economic Development Committee.

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;
- Building products manufacturing industry;
- Commercial building owners and managers industry;
- Public education;

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- 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:** The House tax package includes a reduction from 5.8 to 5.5%.

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; 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

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Committee. **UPDATE:** The Senate bill is awaiting a hearing in Appropriations. The House bill is awaiting a floor vote.

Permit Fees - HB 725 (Williamson) and SB 1144 (Perry) – The bill requires certain counties & governing bodies of municipalities to post their permit & inspection fee schedules & inspection utilization reports on their websites; requires certain governing bodies of local governments to post their building permit & inspection utilization reports on their websites by specified date; and provides reporting requirements for the same. **UPDATE:** The House passed this bill 113-0 on Wednesday, February 14. The Senate version is awaiting its final hearing in Appropriations.

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 bill is awaiting a hearing in its final committee Rules. The House bill has not yet moved.

Summary of Week 6

Week 6 Stats

The House met once on the floor on Wednesday, and cancelled their Thursday session after completing their business. The Senate cancelled a floor session scheduled for Wednesday.

In total, the week had 42 committees meeting to see 219 individual bills, and 227 amendments were filed. Also this week, three general bills (SBs 220, 146, and 568) passed both chambers and

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can be sent to the governor. One bill -- SB 140 -- passed both chambers but was amended on the House floor and is headed back to the Senate in Returning Messages.

There are three weeks remaining in the 2018 legislative session, scheduled to end on March 9, 2018.

See the full breakdown of the weekly stats below:

- Amendments Filed: 242
- Bills with Actions: 466
- Texts Filed: 114
- Committee Meetings: 42
- Bills Seen in Committee: 219
- Floor Sessions: 1

Health Care

Progress was made in the long-standing battle over the number of trauma centers in the state, and Tampa Senator Dana Young can claim success as chief negotiator. Her bill, SB 1876, would revise the trauma service areas. Representatives from the key stakeholders have been negotiating since the beginning of session on a way forward.

The House and Senate, along with hospital industry leaders, have seemingly agreed to legislation that would change the number of trauma service areas in the state and recognize more trauma centers.

Courts

Legislation affecting the courts also is under consideration. SB 1384 increases jurisdiction of county court judges and allows Supreme Court Justices to headquarter in their home District Courts of Appeal.

The bill also provides that a Supreme Court Justice who permanently resides outside of Tallahassee may request that a District Court of Appeal courthouse or a county courthouse in the Justice's district be designated as his or her official headquarters. In addition, it raises the county court's jurisdictional amount for civil cases demanding money from \$15,000 to \$50,000. That means "small claims" could mean bigger stakes.

SB 1384 also adds two circuit court judgeships to the Ninth Judicial Circuit Court, which includes Orange and Osceola Counties, and adds county court judgeships in Hillsborough, Citrus, Columbia and Flagler counties.

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Gambling

Legislation to regulate gambling, another longtime issue for the state, is again being pushed by state lawmakers. A new 90-page gambling bill cleared its first Senate committee this week, but doesn't quite shape up with what the House wants.

Both chambers have proposed a renewed 20-year deal with the Seminole Tribe of Florida for \$3 billion in revenue over seven years in return for exclusive rights to blackjack and slot machines outside of South Florida. The Senate plan also allows craps and roulette and authorizes designated player games, which the House is against.

Hurricane Funding and Tax Cuts

Big-ticket items—like changes to health care and higher education, along with addressing the wreckage of Hurricane Irma—are continuing to see activity and will be focal points in the remaining weeks of Session.

A House committee rolled out a \$350 million tax package that is expected to help farmers affected by Hurricane Irma and lower the lease-tax burden on businesses. The package would also provide a sales-tax exemption on generators purchased by nursing homes and significantly lower the aviation fuel tax.

Higher Education

House leadership supports a provision in its higher education package that would determine preeminence status by measuring a university using its past rankings as a benchmark. Under current law, universities are all measured by the same standards, and some lawmakers say that rating system is unfair. It's uncertain whether there is enough time for lawmakers to revise the system before the end of the Legislative Session. The Senate's package (SB 4) does not include preeminence changes and already has passed the chamber.

With respect to university funding, lawmakers again raised the issue of preeminence dollars that are awarded to top schools based on metrics assessed by the State University System Board of Governors.

Preview of Week 7 (February 20-22)

House and Senate Set for Floor Sessions

The House is set for floor sessions on both Tuesday and Wednesday. The Senate is set for Wednesday. The bills on special order calendar for the House and third reading for the Senate are listed below.

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House Special Order

HB 0839	The Display of the State Motto	Daniels
HB 7051	Trust Funds/Re-creation/Land Acquisition Trust Fund/DACS	Agriculture & Natural Resources Appropriations Subcommittee
HB 7043	State Assumption of Federal Section 404 Dredge and Fill Perm...	Natural Resources & Public Lands Subcommittee
HB 0703	Water Management District Surplus Lands	Burgess
HB 0705	Pub. Rec./Water Management District Surplus Lands	Burgess
HB 1093	Loxahatchee Groves Water Control District, Palm Beach County	Willhite
HB 0869	Ranger Drainage District, Orange County	Plasencia
HB 1089	East Mulloch Drainage District, Lee County	Rodrigues (R)
HB 1239	South Lake County Hospital District, Lake County	Metz
HB 0735	Mammography	Harrell
HB 6057	Office of Public and Professional Guardians Direct-Support O...	Fischer
SB 0498	Office of Public and Professional Guardians Direct-support O...	Garcia
HB 0573	Involuntary Examinations Under the Baker Act	Daniels
HB 1055	Pub. Rec./Addiction Treatment Facility Personnel	DuBose
HB 0157	Public Health Risk Created by Pornography	Spano
HB 1071	City of Clearwater, Pinellas County	Ahern
HB 1137	Pinellas County Construction Licensing Board	Peters
HB 7053	Public Records/United States Census Bureau	Oversight, Transparency & Administration Subcommittee
HB 1139	City Pension Fund for Firefighters and Police	Cruz

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Officers in th...		
HB 1141	Firefighters' Relief and Pension Fund of the City of Pensaco...	White
HB 1127	Pub. Rec. and Meetings/Citizens Property Insurance Corporati...	Lee Jr. (L)
HB 1081	Essential Electric Utility Service	Perez
HB 1267	Telephone Solicitation	Killebrew
HB 7081	Pub. Rec./Lottery	Government Accountability Committee
HB 0243	Discretionary Sales Surtax	Avila
HB 0459	Public Records	Massullo, Jr.
HB 0461	Pub. Rec./Trade Secrets Held by an Agency	Massullo, Jr.
HB 0935	Mortgage Lending	Nunez
HB 0953	Consumer Report Security Freezes	Harrison
HB 0875	Limitations of Actions Other Than for the Recovery of Real P...	Leek
HB 0547	Reports Concerning Seized or Forfeited Property	Killebrew
HB 0639	Equitable Distribution of Marital Assets and Liabilities	Perez
HB 1217	Deployed Parent Custody and Visitation	Metz
HB 7071	Criminal Justice Data Transparency	Judiciary Committee
HB 1279	School District Accountability	Sullivan
HB 0731	Home Education	Sullivan
HB 7069	Trust Funds	Higher Education Appropriations Subcommittee
HB 0139	National Statuary Hall	Henry
SB 0472	National Statuary Hall	Thurston, Jr.

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Senate Third Reading

HB 0085	Voter Registration List Maintenance	Spano
SB 0800 	Infectious Disease Elimination Pilot Programs	Braynon II
HB 0193	Mortgage Brokering	Stark
SB 0510 	Reporting of Adverse Incidents in Planned out-of-hospital Bi...	Young
SB 0162 	Payment of Health Care Claims	Steube
HB 0405 	Linear Facilities	Williamson
SB 1048 	Firearms	Baxley
HB 0087	Pub.Rec./Statewide Voter Registration System	Spano
SB 0660 	Florida Insurance Code Exemption for Nonprofit Religious Org...	Brandes
HB 0055	Sale of Firearms	White

Supermajority Vote for Tax Increases

On Tuesday, the Senate Finance & Tax Committee is set to take up the House version of the constitutional amendment requiring a supermajority vote for any increase of a tax or tax base. The difference between the House and Senate is that the Senate version only requires a 60% supermajority, while the House requires a 66% (two-thirds). If the House version (HB 7001) passes this committee, it will next head to Senate Appropriations.

House Omnibus Education Package Up In Senate

On Tuesday, the Senate Education Committee is set to hear House Bill 7055. This bill is tied to the House's budget plan and would establish the Hope Scholarship Program for students subject to bullying, among other things. The scholarship program has drawn criticism from House and Senate democrats as a backdoor to creating vouchers for religious and other private schools. It is unclear whether the Senate will pass or amend and then pass this bill. Assuming it clears Tuesday's hearing, it will next go before Appropriations.

Beach Access Legislation Moving in Senate

On Tuesday, Senate Community Affairs will hear Senate Bill 804 dealing with Possession of Real Property. This is the Florida Bar's annual real property legislation, but this year has an

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overhaul in the customary use laws regarding beach access. This legislation stems from ordinances created in the panhandle that created customary use without court action. This ordinance is now the subject of an ongoing lawsuit. In the meantime, the House has passed its version of the bill that establishes the actions necessary (including judicial ruling) to declare customary use on a beach. If passed, the Senate version will still need a hearing in Rules before floor action.

Affordable Housing Package Moving in the Senate

On Wednesday, the Senate Appropriations Subcommittee on Transportation, Tourism and Economic Development will hear SB 1328, revising the criteria that cities and counties use when evaluating inventory for disposal of lands. In addition, it would shorten the timeframe to review building permits for affordable housing to 60 days and prohibit certain impact fees being charged. If passed, the bill still has the full Appropriations Committee before hitting the floor. The House version (HB 987) also has two more stops.