

MEMORANDUM

TO: NAIOP
FROM: GrayRobinson
DATE: February 25, 2018
SUBJECT: 2018 Legislative Session – Week 7 Summary

Just two weeks remain in the 2018 Legislative Session, and tensions are high. Lawmakers are scrambling to schedule budget negotiations while addressing new issues raised by the recent school shooting at Marjory Stoneman Douglas High School in Parkland, Florida.

Both chambers have passed their respective 2018-2019 budget proposals, each coming in at more than \$87 billion with a difference of about \$100 million in overall funding. The House and Senate have not begun their annual budget conference process, which has caused some legislative leaders to express frustration and question whether Session will have to go into overtime. Still, it's difficult to tell whether a Special Session is imminent.

House Speaker Richard Corcoran criticized Senate leaders on Wednesday for failing to begin negotiations and hinted the lawmaking process would extend beyond its usual 60-day limit. Just a day later, Senate President Joe Negron said the negotiating process will begin soon and he's optimistic an agreement will be reached before sine die on March 9.

Leading officials no doubt have been distracted from the regular structure of Session, but that hasn't slowed the normal hustle and bustle. The fate of a number of smaller initiatives is beginning to unfold during the home stretch of the 60-day lawmaking process. Some of these initiatives include:

- SB 1606 would create a financing program to bring TV and film production to Florida. The bill caught steam in the Senate, but stalled in the House without much hope of further action.
- SB 694 would allow judges to depart from mandatory minimum sentences for nonviolent criminals convicted for drug trafficking offenses. The bill is advancing

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through its Senate committees, but the House has not taken up the measure, making its chance of passage bleak.

Parkland

Despite the looming Session deadline, policy differences between the House and Senate did not drive conversations this week in the capital city. Instead, lawmakers spent a bulk of their time gathering information and forming policy proposals in the wake of the Parkland tragedy.

In response to the shooting, Governor Scott released a legislative proposal that he will usher through the remaining days of Session. It provides for \$450 million worth of enhancements to school safety and \$50 million to strengthen multi-agency mental health efforts. The Legislature also released a package of proposals, SB 7022, SB 7024 and SB 7026.

The executive and legislative proposals are also similar in funding totals, but the House-Senate plan differs from Governor Scott's in that it proposes a three-day waiting period to purchase all weapons and provides for funding of a "Marshal Program," in which school faculty are trained to carry firearms on campuses. Scott has come out against the idea of arming school staff.

Lawmakers now face the challenge of reaching a compromise with Scott and reshuffling dollars in proposed budgets toward the post-Parkland plans.

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

The House tax package (HB 7087) was heard by the Appropriations Committee and is now ready for a floor vote. If taken up by the House, like previous years, they will send it to the Senate, who will take it up, amend it to some degree, and then pass it.

As stated last week, 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.

MAJOR AMENDMENT – Community Development Districts – HB 883 (Ingoglia) – This bill which was fairly innocuous, dealing with CDDs, took on a 193-page amendment this past week in Government Oversight Accountability Committee. This amendment included the substance of the DRI bill (summarized below) and the CRA phase out legislation (summarized below). It is too early to tell what will happen with this legislation, but it is now fully on our radar. The Senate version (SB 1348) is awaiting a Rules hearing.

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Developments of Regional Impact – HB 1151 (La Rosa) and SB 1244 (Lee) –

Developments of Regional Impact (DRIs) are defined as “any development which, because of its character, magnitude, or location, would have a substantial effect on the health, safety, or welfare of citizens of more than one county.” Given their size, DRIs are subject to a special review process and often require an amendment to a comprehensive plan. The DRI program was initially created in 1972 as an interim program intended to be replaced by comprehensive planning and permitting programs.

The bill eliminates state and regional review of existing Developments of Regional Impact (DRIs), eliminates the Florida Quality Development (FQD) program, and transfers the responsibility for implementation of, and amendments to, DRI and FQD development orders to the local governments in which the developments are located.

The bill preserves existing DRI letters, development orders, agreements, and vested rights.

The bill transfers the DRI exemptions and partial exemptions currently found in s. 380.06, F.S., to s. 380.0651, F.S., which contains the statewide guidelines and standards for determining whether a proposed development is a DRI-sized development subject to state coordinated review.

The bill deletes the criteria for determining when two or more developments must be “aggregated” and treated as a single development for the purposes of DRI review and deletes the substantial deviation criteria for development order changes.

The bill ends all DRI appeals to the Florida Land and Water Adjudicatory Commission except for decisions by local governments to abandon an approved DRI. However, no changes are made regarding the authority of the Commission to review development orders in areas of critical state concern.

The bill repeals the Department of Economic Opportunity’s DRI and FQD rules in Chapter 73C-40, F.A.C., and Administration Commission rules related to DRI aggregation.

UPDATE: The House version is set for Special Order on the floor February 28. The Senate version is set for a hearing in Appropriations on February 27.

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

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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. ****NOTE:** This is now the substance of HB 883, based on amendment.

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;
- The green building industry;
- The natural gas distribution system; and
- The Department of Agriculture and Consumer Services’ Office of Energy.

The bill also amends:

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- 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 Committee. **UPDATE:** The Senate bill is set for a hearing in Appropriations this Tuesday, February 27. The House bill is set for Special Order on Wednesday, February 28.

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

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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 set for its final hearing in Appropriations on Tuesday, February 27.

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 7

Week 7 Stats

In total, the week had 27 committees meeting (down from 42 which is natural as session comes to a close) to see 193 individual bills, and 239 amendments were filed. Also this week, five general bills passed both chambers and can be sent to the governor.

There are two 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: 239

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- Bills with Actions: 1,043
- Texts Filed: 119
- Committee Meetings: 27
- Bills Seen in Committee: 193
- Floor Sessions: 3

K-12 Education

On Tuesday, all eyes were on the Senate Education Committee to introduce HB 7055, the House's already-approved omnibus education bill. The committee ultimately favored the provisions, which include an estimated \$40 million tax-credit program to fund Hope Scholarships for students who are bullied. The package is a House priority; its advancement in the Senate could be Negron's token for budget talks.

Permanently expanding the Bright Futures scholarship to cover full tuition and fees for certain students and spawning a flat-rate, or "block," tuition plan are the education priorities of the Senate and President Negron. A House bill (HB 423) contains the same provisions and has the backing of Majority Leader Ray Rodrigues. It awaits the consideration of the House Education Committee.

Higher Education

It appears both chambers are advancing legislation (HB 565 and SB 844) to ease the financial penalty for students who take more classes than needed to graduate. If a student switches his or her major and takes more than 132 credit hours (120 are needed for an undergraduate degree), then, should the proposal become law, that student will receive a refund for 12 excess credit hours if they graduate in four years.

Super Majority Requirement for Future Tax Increases

Another hot topic likely to drive negotiations are the tax supermajority measures.

Governor Scott and the House are pushing a proposed constitutional amendment that would require a two-thirds supermajority vote of any future Legislature to raise taxes or fees. The proposal (HJR 7001) was backed by the House at an earlier floor session, but it has since been replaced in the Senate with a less-strict three-fifths requirement for tax increases and would not require any supermajority votes to raise fees.

Constitution Revision Commission

Outside Tallahassee, the Constitution Revision Commission (CRC) met in Melbourne and Jacksonville this week. At each location, the panel gathered public input for the 37 proposals that

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remain under consideration. Every 20 years, the CRC meets to look at possible changes to the state's governing document.

Preview of Week 8 (February 26 – March 2)

House and Senate Set for Floor Sessions

The House and Senate wrap up their regularly scheduled committee meetings Tuesday (Day 50). There is a chance that certain committees like Appropriations and Rules will meet again to clear more bills, but technically, Day 50 is the last day. As such, both the House and Senate have marathon sessions for their Appropriations Committees to clear out bills for the floor. Thereafter, both the House and Senate are set for floor sessions starting Tuesday for the Senate and Wednesday for the House and daily thereon through the end of session.

House Special Order - Wednesday

HB 0941	<u>Administrative Procedures</u>	Moraitis
HB 7007	<u>Ethics Reform</u>	Public Integrity & Ethics Committee
HB 7091	<u>Pub. Rec./Sexual Harassment Complaints</u>	Government Accountability Committee
HB 7073	<u>Government Integrity</u>	Public Integrity & Ethics Committee
HB 7057	<u>Budget Transparency</u>	Oversight, Transparency & Administration Subcommittee
HB 0815	<u>County and Municipal Public Officer Transparency</u>	Avila
HB 7083	<u>Emergency Management</u>	Government Accountability Committee

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HB 7085	<u>Health Care Disaster Preparedness and Response</u>	Health & Human Services Committee
HB 7079	<u>Pub. Rec./Disaster Response</u>	Oversight, Transparency & Administration Subcommittee
HB 1429	<u>Dismemberment Abortion</u>	Grall
HB 0033	<u>Texting While Driving</u>	Toledo
HB 1189	<u>Commercial Motor Vehicles</u>	Payne
HB 1033	<u>Bicycle Sharing</u>	Toledo
HB 0981	<u>Electric and Hybrid Vehicles</u>	Olszewski
HB 0819	<u>Truck License Taxes</u>	Williamson
HB 0963	<u>Towing and Immobilizing Fees and Charges</u>	Cortes (B)
HB 0697	<u>Impact Fees</u>	Miller
HB 1073	<u>Department of Financial Services</u>	Hager
HB 1451	<u>Charlotte County Tourist Development Council, Charlotte Coun...</u>	Grant (M)
HB 1397	<u>Hardee County Economic Development District, Hardee County</u>	Albritton
HB 1117	<u>Sebastian Inlet Tax District, Indian River and Brevard Count...</u>	Grall
HB 1285	<u>Florida Business Corporation Act</u>	Albritton

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HB 0965	Laser Hair Removal or Reduction	Fine
HB 0681	Protection for Vulnerable Investors	Donalds
HB 1187	Guardianship	Spano
HB 1155	Anatomical Gifts	La Rosa
HB 0021	Controlled Substances	Boyd
HB 1373	Medication Administration	Stevenson
HB 1337	Nursing	Pigman
HB 0937	Perinatal Mental Health	Nunez
HB 0675	Pharmacies	Brodeur
HB 0689	Pharmacy	Byrd
HB 0351	Prescription Drug Pricing Transparency	Santiago
HB 1069	Substance Abuse Services	Hager
HB 1265	Alcoholic Beverages	Miller
HB 0667	Beverage Law	Perez
HB 1447	City of Orlando, Orange County	Miller
HB 0961	Beverage Law	Gruters
HB 0851	Lost or Abandoned Personal Property	Olszewski
HB 0669	Beverage Law	Perez

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HB 0733	Contraband in County Detention Facilities	Sullivan
HB 0957	Crime Stoppers Organizations	Gruters
HB 1143	Defrauding or Attempting to Defraud Drug Tests	White
HB 1177	Joint Task Force on State Agency Law Enforcement Communicati...	Ingolia
HB 0591	Missing Persons With Special Needs	Porter
HB 0581	Subpoenas in Investigations of Sexual Offenses	Latvala
HB 0471	Unmanned Aircraft	Yarborough
HB 0523	Trespass on Airport Property	Cortes (B)
HB 0491	Theft	Roth
HB 1151	Developments of Regional Impact	La Rosa
HB 6041	Division of Historical Resources	Stevenson
HB 1173	Lands Used for Governmental Purposes	Raschein
HB 1423	Tohopekaliga Water Authority, Osceola County	La Rosa
HB 0987	Affordable Housing	Cortes (B)
HB 0841	Community Associations	Moraitis
HB 1091	Early Learning	Grall
HB 1201	Education for Prisoners	Ahern

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HB 0565	Excess Credit Hour Surcharges	Mariano
HB 1035	Personalized Education	Sullivan
HB 0887	Reading Instruction	Harrell
HB 0693	Family Self-Sufficiency	White
HB 0141	Toll Operations	Harrison
HB 0751	Public Assistance	Eagle
HB 1319	Voter Registration Maintenance	Mariano
HB 6523	Relief/Ashraf Kamel	Raburn
HB 6509	Relief/C.M.H./Department of Children and Families	Grant (J)
HB 6501	Relief/Cristina Alvarez and George Patnode/Department of Hea...	Toledo
HB 6543	Relief/Estate of Eric Scott Tenner/Miami-Dade County	Perez
HB 6525	Relief/Marcus Button/Pasco County School Board	Byrd
HB 6535	Relief/Estate of Dr. Sherrill Lynn Aversa/Department of Tran...	Newton
HB 6545	Relief/Ramiro Companioni, Jr./City of Tampa	Santiago
HB 6505	Relief/Vonshelle Brothers/Department of Health	Jenne

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HB 6527	Relief/Christopher Cannon/City of Tallahassee	Alexander
HB 0361	Persons Authorized to Visit Juvenile Facilities	Richardson
HB 0853	Housing Discrimination	Davis
HB 0307	Florida Commission on Human Relations	Antone
HB 0707	Campaign Finance	Jenne
HB 0901	Acme Improvement District and Pine Tree Water Control Distri...	Willhite
HB 7077	OGSR/Agency Employee Misconduct Complaint	Oversight, Transparency & Administration Subcommittee
HB 0889	West Palm Beach Police Pension Fund of the City of West Palm...	Willhite
HB 6049	Medical Marijuana Growers	Jones
HB 1437	Employment Services for Persons with Disabilities	Abruzzo

Senate Special Order - Tuesday

SB 0460	Postsecondary Fee Waivers	Gainer
HB 0075	Postsecondary Fee Waivers	Ponder
SB 0100	Identification Card and Driver License Fees for	Steube

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Veterans

[SB 0440](#) [Florida Veterans Care Program](#) [Garcia](#)

[SB 0330](#) [Transportation Facility Designations/Lieutenant Ewart T. Sco...](#) [Gainer](#)

[SB 1370](#) [Trust Funds/Land Acquisition Trust Fund/Department of Agricu...](#) [Book](#)

Senate Appropriations Tuesday

With this being the last regularly scheduled Senate meeting, all eyes will be on Senate Appropriations as it attempts to move several bills out of the committee process and onto the floor. While this committee is expected to meet again, it is set to hear 43 bills on Tuesday. These include SB 324 (Impact Fees), SB 80 (Direct Primary Care Agreements), SB 376 (Workers' Compensation Benefits for First Responders), HB 7001 (Supermajority Vote for State Taxes) and the package of gun safety bills in response to the Parkland Tragedy (SB 7022 – Firearm Safety; SB 7024 – Public Records/Victims of a Crime of Mass Violence; and SB 7026 – School Safety).