

MEMORANDUM

TO: NAIOP of Florida
FROM: GrayRobinson
DATE: March 17, 2017
SUBJECT: 2017 Legislative Session – Week 2 Summary

Gov. Rick Scott kicked off the second week of the 2017 Legislative Session by signing the death penalty fix into law. Days later, the Senate voted 25-15 to approve a bill by Sen. Rob Bradley that shifts the burden of proof in “Stand Your Ground” cases. The House companion has already cleared its first committee, and is awaiting a hearing by the House Judiciary Committee.

In the House, one giveth and one taketh away. One bill that would give telecommunication companies unfettered access to public right-of-way utility poles passed its first committee, while another bill that would cut back on incentives in the private sector (stadium funding) passed its final committee. As well, the state’s revenue estimators didn’t predict winter, but they didn’t exactly predict a sunny spring. All of these issues and a few more are discussed below.

Business Rent Tax Reduction – The Tax on the Tax issue has movement. Your GR team will be there in committee to keep this bill moving forward.

Stair-step Reduction of BRT - House Bill 223, by Larry Ahern stair-steps exemptions from business rent tax over multiple years, starting with first \$10,000 in 2018 and increasing \$10,000 each year until it reaches \$90,000 in 2026. Senate Bill 838, by Keith Perry, is the companion. Neither bill has moved in either chamber. The House bill is awaiting a hearing in Ways & Means.

Ending the Tax on a Tax - House Bill 463, by Holly Raschein, eliminates the sales tax on the portion of ad valorem taxes paid by a tenant. Senate Bill 704, by Rene Garcia, is the companion. This bill is awaiting a score from the revenue estimating conference.

UPDATE: The Senate bill is on the March 22 Community Affairs Agenda. We will be working with the sponsor to ensure the votes are there to pass this through committee.

March 17, 2017

Page 2

One-Cent Reduction in BRT – Senate Bill 484, by Dorothy Hukill, reduces the BRT by one cent. This bill is awaiting a scoring by the revenue estimating conference.

Eliminate BRT for Properties with less than \$50,000 in Rent – Senate Bill 820, filed by Travis Hutson, eliminates the BRT for any property for which the total annual rental payment does not exceed \$50,000. This bill is awaiting its first hearing in Commerce & Tourism.

Summary of Week 2 Legislative Session

Community Redevelopment Agencies in House Crosshairs

Representative Jake Raburn has proposed legislation (HB 13) that would significantly restrict the ability of CRAs to conduct their original purpose and creates a process by which to terminate all CRAs in Florida. Under the legislation, CRAs may not initiate any new projects or issue any new debt on or after October 1, 2017. No new CRAs may be created after July 1, 2017. All existing CRAs shall terminate on the expiration date provided in the CRAs charter as of July 1, 2017, or on September 30, 2037, whichever is earlier. Additionally, the bill would limit the use of TIF funds. The bill requires municipal CRA budgets to be sent to the county commission prior to the CRA Board adopting a budget.

The bill passed its first committee of reference on March 8 by a 9-6 vote. This early movement in the House has spurred the Senate companion (SB 1770) forward with placement on the Community Affairs March 22 agenda. It is worth noting that this Committee is chaired by the Senate sponsor.

Revenue Estimators Predict \$100+ Million More (House Still in Cut Mode)

On Friday, the state's economic forecasters met to estimate the state's future tax revenues. The verdict was another \$115.2 million by June 30, 2018. This new number did little to change the overall outlook for the budget.

While this increased revenue for this fiscal year (one in which there is no expected shortfall), the following year could be \$1.3 billion short of how much is needed to cover expected spending. The following year is expected to be a \$1.9 billion hole.

The new forecast came a couple of days after the House's top budget-writing committee heard ideas for potential cuts across state government. Suggestions included cuts in payments to hospitals, reductions in spending on universities and scaling back early-learning and other public-education programs.

School Recess Ready For Senate Floor

March 17, 2017

Page 3

Florida elementary schools would have to provide at least 20 minutes of unstructured recess time each school day under a bill (SB 78) approved Thursday by the Senate Appropriations Committee. Senator Anitere Flores said some Florida schools now provide recess, while others don't. The legislation would mandate at least 20 minutes a day, or 100 minutes per week, for children enrolled in kindergarten through fifth-grade classes in all 67 school districts. The Appropriations Committee was the last committee stop for the bill and is now ready for the Senate floor. A companion bill (HB 67), filed by Representatives Rene Plasencia and Bob Cortes, is still waiting for its first committee hearing in the House.

Cell Towers and Home Rule

A bill that would significantly affect the power of local governments to regulate the public rights-of-way when it comes to certain telecommunications equipment passed its first House committee on Wednesday, but not without strong pushback from cities and counties. The bill (HB 687) preempts in several ways local regulation of what are essentially small cell phone towers about the size of a refrigerator. The Florida Department of Transportation would also have to follow the restrictions laid out in the proposal.

The Senate bill (SB 596) has moved through one committee and still has two to go. The Florida League of Cities is aggressively fighting this legislation. With two committees still to go in both chambers, the bill has a long road, but not impossible.

Stadium Legislation Ready for Full House Vote

Representative Bryan Avila's bill (HB 77), which would prevent sports franchises from building or renovating stadiums on public land, passed the House Appropriations Committee and is ready to be heard by the full House.

Of particular focus to franchises currently (or in the past) receiving state dollars, the bill require sports franchises to pay outstanding debt the state incurred while building or renovating sports facilities if the sports franchise permanently leaves the facility.

In the Senate, similar legislation by Greg Steube (SB 122) has not yet moved.

Preview of Week 3

After two whirlwind weeks to start the 2017 Legislative Session, the third week is getting off to a slow start, at least for the Florida Senate. Senators have no meeting on their schedule Monday, but that doesn't mean their chamber will be empty. The Constitution Revision Commission is scheduled to hold an organizational meeting there starting at 2 p.m.

March 17, 2017
Page 4

Senators might have a long weekend, but House members aren't so lucky. The House has a busy day planned, with appropriations subcommittees scheduled to discuss, among other things, member projects.

The House Natural Resources & Public Lands Subcommittee will discuss a bill by Rep. Clay Ingram that makes it clear the Public Service Commission has exclusive jurisdiction to require power lines be buried.

The House PreK-12 Appropriations Subcommittee is expected to discuss a proposal to give school districts some wiggle room when it comes to voter-approved class size requirements.

Meanwhile, the House Children, Families & Seniors Subcommittee will consider a bill to help kids who are victims of human trafficking.

The Senate will begin debate on a bill to repeal a Prohibition-era law requiring liquor stores be separated from grocery and other retail goods when it goes into session Tuesday.

Expect a packed committee room when the Senate Health Policy Committee meets on Wednesday. Sen. Dana Young, the committee's chairwoman, has scheduled a workshop on several proposals to implement the 2016 medical marijuana constitutional amendment.