

2015 LEGISLATIVE SESSION:

*WHAT CITIES AND COUNTIES
NEED TO KNOW?*

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Florida City & County
Management Association

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2015 LEGISLATIVE SESSION

- 1,754 bills filed in House and Senate combined
- 231 passed – a historic low
- 83 have been signed by governor to date; none vetoed so far



FAC PRIORITIES

- **Tax Reform**
 - Communications Services Tax
 - Sales Tax Exemption on Commercial Leases
 - Revenue Flexibility
- **Economic Development**
 - Enterprise Zones
 - Film Incentives
- **Amendment 1**
- **Juvenile Detention Cost Share**
- **Medicaid County Cost Gap**



FLC PRIORITIES

- **Local Police/Firefighter Pension Reform**
- **Communications Services Tax**
- **Water Quality & Quantity**
- **Stormwater Fee Collection**
- **Enterprise Zones**
- **Developments of Regional Impact**
- **Transportation Funding**
- **Ride-for-Hire Service Regulation**
- **Sober Homes**
- **Homelessness Funding**



MAJOR BILLS THAT PASSED



MUNICIPAL POLICE & FIRE PENSIONS

CS/SB 172 (Bradley and Ring)

- significantly reduces current flexibility in the use of insurance premium tax revenues.
- significantly intrudes on current collective bargaining authority.
- mandates increases in required minimum pension benefit levels.



PRIVATE PROPERTY RIGHTS

CS/CS/CS/HB 383 (Edwards) creates a new cause of action within the Bert Harris Act for a “prohibited exaction” defined as a permitting condition imposed by a governmental entity on a property owner's proposed use of real property that lacks an essential nexus to a legitimate public purpose and is not roughly proportionate to the harm the governmental entity seeks to avoid, minimize or mitigate.

- The bill includes a waiver of sovereign immunity for these new causes of action, which could have a large fiscal impact on local government.



GROWTH MANAGEMENT

CS/CS/SB 1216 (Simpson)

- replaces the current Development of Regional Impact (DRI) process for future large-scale projects with the state coordinated review process for comprehensive plan amendments;
- dissolves the Withlacoochee Regional Planning Council (RPC) along with some of the statutory functions of the remaining 10 RPCs;
- amends the sector plan process by reducing certain regulatory reviews;
- expands the definition of blighted to include areas with sinkhole activities for purposes of CRAs; and
- creates a 10-year pilot program in Pasco County authorizing connected-city corridor comprehensive plan amendments that can be approved by the county without state review, in certain situations.



LOCAL CONSTRUCTION PREFERENCES

CS/CS/SB 778 (Hays) preempts local preference ordinances if 50 percent or more of the public construction project is paid for with state-appropriated funds.

- state-appropriated funds: only those funds appropriated in the General Appropriations Act, excluding federal funds.

The bill also requires cities to disclose on the bid document whether or not the local construction preference applies to the project instead of listing the percentage of state funds used to pay for the project on every bid document, regardless of whether or not state funds were used to pay for the project.



MORTALITY TABLES FOR LOCAL PENSIONS

CS/CS/HB 1309 (Drake)

- requires all local government defined benefit pension plans to use in their valuation reports the mortality tables utilized in either of the two most recently published actuarial valuation reports of the Florida Retirement System.



JUVENILE CIVIL CITATIONS

CS/HB 378 (Garcia)

- allows law enforcement to issue civil citations to juveniles in lieu of arrest for a second or subsequent offense; historically they have been limited to first time offenses.



FLORIDA PRIME/LGIP FUND B

SB 7024 (Governmental Oversight and Accountability)

- directs the State Board of Administration to distribute any residual balance in the Fund B Surplus Funds Trust Fund based on each participant's proportional share of the November 2007 interest earnings that were withheld from distribution and transferred to the Fund B Surplus Funds Trust Fund.



SOBER HOMES

CS/CS/HB 21 (Hager)

- requires the Department of Children and Families (DCF) to create a voluntary certification program for recovery residences, also referred to as “sober homes” that includes routine inspection, quality assurance measures, level 2 background screening, training and code of ethics.



EMERGENCY FIRE RESCUE SERVICES AND FACILITIES SURTAX

CS/CS/HB 209 (Articles)

- removes the requirement that local governments enter into an interlocal agreement in order to receive the proceeds from the Emergency Fire Rescue Service and Facilities Surtax. Instead, the county will distribute the surtax proceeds based on the average annual expenditures of ad valorem and non-ad valorem assessments for fire control and emergency fire rescue services in the preceding five fiscal years.



PUBLIC SERVICE COMMISSION

CS/HB 7109 (Energy & Utilities)

- limits the length of time that an appointee to the Public Service Commission can serve to a total of three consecutive terms.
- prohibits a regulated electric utility from charging a higher rate under a tiered rate structure due to an increase in usage attributable to a billing cycle extension.
- allows Duke Energy to finance the shutdown of its Crystal River nuclear power plant with bonds, rather than passing those costs on to ratepayers.



HAZARDOUS WALKING CONDITIONS

CS/CS/CS/SB 154 (Hays)

- requires any governmental entity with jurisdiction over a road that has a “hazardous walking condition” for public school children to correct the condition within a reasonable period of time or inform the school district and the Department of Education as to why the hazardous conditions will not be addressed.



BODY CAMERAS

CS/CS/CS/SB 248 (Smith)

- creates a public records exemption for audio or video recordings made by a law enforcement officer performing his or her official duties and responsibilities under a number of specific conditions.



MAJOR BILLS THAT DID NOT PASS



WATER

CS/CS/SB 918 (Dean), **CS/HB 7003** (State Affairs Committee) and **CS/CS/CS/HB 653** (Pigman) would have significantly revised Florida Water Law.

- Identified priority focus areas within first magnitude springs
- Work collaboratively to initiate the development of a Basin Management Action Plan (BMAP)
- Under certain circumstances, septic tank remediation would be required; funding varied
- Much more.



UTILITY RELOCATIONS

CS/CS/CS/HB 391 (Ingram) and **CS/CS/SB 896** (Brandes) would have prohibited local governments from requiring utilities to pay the costs of equipment relocation unless the utilities were in a “right of way,” as opposed to the current requirement for utility relocations occurring “upon, over, under or along” a roadway.

The bills would have required local governments, and not the utilities, to bear the cost of relocating a utility’s equipment if such equipment was located within a utility easement, regardless of the private or public nature of the easement.



GOVERNMENT ACCOUNTABILITY

CS/CS/CS/HB 1063 (Metz) and **CS/CS/CS/SB 1372** (D. Gaetz) would have amended various provisions related to local government accountability, transparency and oversight.

- audit requirements
- adoption of internal controls
- clarification of how long budgets must be on the website
- changed the composition of the audit committee
- first degree misdemeanor to provide prohibited compensation



PUBLIC RECORDS

CS/CS/SB 224 (Simpson) and **CS/CS/CS/HB 163** (Beshears) would have addressed public records laws when private entities enter into contracts to provide services to public agencies, as well as when seeking public records from public agencies.



BACKYARD GUN RANGES

CS/CS/HB 995 (Trumbull), a bill relating to the Department of Agriculture and Consumer Services, was amended with language allowing law enforcement officers to charge a person with a first degree misdemeanor if the person recreationally discharges a firearm outdoors in a residential neighborhood with a density of one or more dwelling units per acre.



FRACKING

CS/SB 1468 (Richter) would have created a regulatory framework within the Florida Department of Environmental Protection (DEP) to regulate fracking.

- Required DEP to study the potential risks of fracking
- Prohibited the issuing of permits to engage in fracking until the study was complete



ECONOMIC DEVELOPMENT HOUSE PACKAGE

CS/HB 7067 (Economic Development & Tourism) was a 200+ page comprehensive economic development package.

- Enterprise Zones without state funding
- Prohibited impact fees on small businesses
- Permitting extensions; this would have been the 5th time!



ECONOMIC DEVELOPMENT SENATE PACKAGE

CS/SB 1214 (J. Latvala) was the Senate's version of a comprehensive economic development bill.

Key differences from the House:

- Film and entertainment industry incentives and benefits from the state
- Extend Enterprise Zone incentives to businesses that recently located within the zone for an additional three years
- Funding for racetracks and sporting stadiums
- Funding to local government entities to combat homelessness



VALUE ADJUSTMENT BOARDS

CS/CS/HB 695 (Avila) and **CS/CS/SB 972** (Flores) would have amended multiple provisions relating to Value Adjustment Boards (VABs).

- Identified who could represent a property owner at a hearing, requiring additional paperwork
- Required new deadline for VAB to hear all complaints, complete the certification and submit it to the property appraiser by June 1 (some exclusions)
- Reduced the interest owed from 12 percent to the prime rate on unpaid taxes and excess tax that are refunded
- Allowed the school board or the county commission to audit expenses related to the VAB process
- House version modified the composition of the VAB board



FILM & ENTERTAINMENT INCENTIVES

CS/SB 1046 (Detert) and **CS/CS/HB 451** (Miller) would have significantly modified the current incentives and benefits the state offers to the film and entertainment industry, by creating a new procedure for queuing applications, prioritized based on proposed economic benefit to the state.

The bills only addressed the structure of the tax incentive program; therefore, any appropriation necessary to implement the program would have been handled through the state budget process.



MEMBERSHIP ASSOCIATIONS

CS/SB 1114 (Stargel) and **CS/CS/CS/HB 549** (M. Diaz) would have placed onerous financial reporting requirements on associations like FLC and FAC and prohibit them from using public funds to pursue litigation against the state.



JUVENILE DETENTION COST SHARE

CS/SB 1414 (Bradley) and **HB 5201** (Metz) would have streamlined the way in which counties were billed for juvenile secure detention moving from a projection based system to a straight budget split.



ENTERPRISE ZONES

SB 392 (Clemens) would have reauthorized the Enterprise Zone (EZ) program until December 31, 2025, while strengthening several accountability provisions of the program.

HB 903 (Porter) and **SB 1556** (Montford) would have deleted the repeal date of the Enterprise Zone (EZ) program and the limits of sales tax refunds authorized for building materials used for the rehabilitation of property in EZs. The bills would have also made several changes to the rural economic development programs, including the Rural Job Tax Credit Program and the Regional Rural Development Grants program.



PUBLIC PRIVATE PARTNERSHIPS

CS/HB 63 (Steube) and **CS/CS/CS/SB 824** (Evers) would have amended the statutory framework that local governments must adhere to when engaging in public-private partnerships (P3s), allowing local governments to rely on Home Rule authority to enter into P3 agreements or follow the process in Florida statutes.



TRANSPORTATION NETWORK COMPANIES

CS/CS/HB 817 (Gatez) was a comprehensive bill that preempted local governments from regulating transportation network companies (TNCs), such as Uber or Lyft.

CS/SB 1298 (Simmons) was far more narrow in its reach, only addressing minimum insurance standards on TNCs.



HOMELESSNESS FUNDING

HB 379 (Peters) and **CS/CS/SB 1500** (Latvala) would have created a dedicated funding source for homelessness issues in Florida by allocating 4 percent from the Local Government Housing Trust Fund to be used for homelessness issues.

- It is expected that there will be an allocation in this year's budget for Challenge Grants to be used by local homelessness continuums of care for addressing homelessness in their communities.



VACATION RENTALS

HB 735 (Moraitis) and **SB 1344** (Altman) would have provided local governments more flexibility in regulating vacation rentals.

- Allowed minimum stay requirements of up to seven days
- “Grandfathered” vacation rental ordinances can be amended without penalty



RED LIGHT CAMERAS

There were several bills filed this year dealing with red light cameras from full prohibition to making the use of such programs cumbersome and costly to operate.

Ultimately, nothing was passed to change how cities operate their camera programs or dictate how they spend the revenues associated with these programs.



MAJOR ISSUES DURING SPECIAL SESSION A



IMPLEMENTATION OF AMENDMENT 1

Legislation to implement the constitutional amendment on water and land conservation will be considered. This includes several bills that establish a Land Acquisition Trust Fund within multiple agencies as well as terminating multiple trust funds within some agencies.



TAXATION

Legislation similar to **HB 7141**, which includes \$690 million in tax cuts, will be considered.

Estimated to have a nonrecurring impact of \$16.2 million and a recurring impact of \$64.01 million on local government.

- reduction for the state communication services tax (CST), with a hold harmless provision for local government
- multiple temporary and permanent sales tax exemptions
- three sales tax holidays
- increased property tax exemption for widows, widowers, permanently disabled and blind from \$500 to \$5000 per year
- reduction of 0.2%, from 6 to 5.8%, on the rent charged for commercial leases



MEDICAID COST CAP

Counties are transitioning from a fee for service billing model to an enrollment based model which will cause over 20 counties to experience double digit growth in their mandatory contributions.

- **FAC is seeking to cap individual county growth at 3%.**



FRS EMPLOYER RATES – DRAFT

FRS Contribution Rates (SB 2512-A): Modifies employer contribution rates. Employer normal contribution rates for each membership class of FRS (Defined Benefit and Defined Investment) are amended as follows:

<u>Class</u>	<u>FY 2015-16 Normal Rate</u>	<u>FY 2014-15 Normal Rate</u>
Regular	2.91%	3.53%
Special Risk	11.35%	11.01%
Special Risk Administrative Support	3.71%	4.18%
Elected Officers (legislators)	6.48%	6.30%
Elected Officers (judges)	11.39%	10.10%
Elected Officers (county officers)	8.48%	8.80%
Senior Management	4.32%	4.81%
DROP	4.23%	4.30%



FRS EMPLOYER RATES – DRAFT

To address **unfunded actuarial liabilities** (UAL) of the system, the bill amends the current 2015 employer contribution rates for each membership class of FRS as follows:

<u>Class</u>	<u>FY 2015-16 Normal Rate</u>	<u>FY 2014-15 Normal Rate</u>
Regular	2.65%	2.54%
Special Risk	8.99%	7.51%
Special Risk Administrative Support	27.54%	36.59%
Elected Officers (legislators)	37.62%	38.66%
Elected Officers (judges)	22.62%	21.77%
Elected Officers (county officers)	32.09%	33.58%
Senior Management	15.41%	15.04%
DROP	7.12%	6.72%



Questions?



THANK YOU

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