MONTHLY REPORT TO VILLAGE COUNCIL
SECTION 4

Legislative Updates
State Legislative Agenda

Ronald L. Book, P.A.
LAW OFFICES
PROFESSIONAL ASSOCIATION

MEMORANDUM

To: Mr. Edward Silva, Village Manager
Village of Palmetto Bay

From: Ronald L. Book, Esq. Robert M. Levy
Kelly C. Mallette Jose Diaz
Rana G. Brown

Date: March 31, 2016

RE: 2016 Legislative Session – Final Session Report

On behalf of Ronald L. Book, P.A. and Robert M. Levy and Associates, we would like to first and foremost extend our appreciation for the continued opportunity to represent the Village of Palmetto Bay.

Included in this report is a summary of the budget and an update on legislation passed during the 2016 Regular Session. Should you have any questions regarding budget information, legislation or legislative action, please do not hesitate to call or email us.

The 2016 Legislative Session ended at 6:45 pm on Friday, March 11th, bringing to close the 2016 Legislative Session. On the last day of Session, the legislature approved an $82 billion budget for fiscal year 2016 – 2017, an increase over the FY 2016 budget of $78 billion. The Governor has acted on the budget, having released his list of vetoes before the budget was officially transmitted to him. His veto list amounted to just over $256 million in vetoes. Though the Legislature did not repeat the animosity from the prior session, there were major policy differences between the House and Senate, such as the Governor's proposed tax cut package and economic incentives requests.

Economic Incentives and Tax Cuts: Early in the fall of 2015, the Governor expressed his goals for the 2016 Session, which focused on two areas of the budget: $250 million in economic incentives and a $1 billion tax cut package, all to attract and generate new business for Florida. The Governor's request of $250 million in economic incentives, was included in the Senate Transportation and Economic Development subcommittee budget proposal, and was strongly supported by its chairman, Senator Latvala. The Senator is slated to become the full Appropriations committee chairman next Session. In the Senate budget proposal, several requirements were added to ensure success, for example, to qualify for funding from the Enterprise Fund, a project would have had to create at least 10 jobs and receive 20 percent of its support from local contributions, in addition to providing a 3 to 1 return on investment as calculated by state economists. Of the $250 in incentives, $100 million of this funding would have come from the BP oil spill settlement at the time of award to the State. However, the House remained philosophically opposed to any economic incentives and never put forth a counter offer to the Senate proposal. Early in the budget conference committee process, the Senate reversed course and agreed with the House position by taking any incentive funding off the table.

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Economic Development and Film Incentives: Early in the Session, the Senate Transportation and Economic Development Appropriations subcommittee debated and passed an omnibus economic development bill, SB 1646 (Latvala), that would have restructured the state's economic incentive and development programs. The proposal at one point did also include $6 million to be allocated to Visit Florida, to help advertise movies that showcase Florida as a destination. In the House, HB 1325 (Boyd) passed and included several incentives, but with budget negotiations completely nonexistent over the funding, these bills did not pass.

Tax Cut Package: HB 7099 (Gaetz, M.) is the omnibus tax cut package that passed both the Senate and House on the last day of the legislative Session. The impact of this bill, combined with provisions in the approved budget, totals approximately $400 million in cuts and savings, (achieved by combining upwards of $290 million, to be used to avoid local property taxes from otherwise being added into the state's school funding formula, this includes a portion of the required local effort formula). Major highlights of this legislation are as follows:

- Provides a three-day "back-to-school" sales tax holiday from August 5, 2016, to August 7, 2016, for clothing and footwear costing $60 or less, and school supplies costing less than $15.
- Makes permanent the sales tax exemption for machinery and equipment used in manufacturing and provides exemptions for machinery and equipment used in agricultural post-harvest activities or used by metal recyclers.
- Effective July 1, 2019, eliminates a current aviation fuel tax exemption and reduces the aviation fuel tax rate from 6.9 cents per gallon to 4.27 cents per gallon.
- Clarifies that counties and municipalities may grant economic development property tax exemptions in areas which were previously designated as enterprise zones for projects that were preapproved before December 31, 2015.
- Provides a sales tax exemption for sales of food and drink by veterans' organizations to members of veterans' organizations.
- Reduces the beverage tax rate imposed on pear cider to make it the same as the rate on apple cider.
- Allows purchasers of airplanes to retain an airplane in Florida while waiting for the airplane to be registered in a foreign country without having to pay sales tax.
- Clarifies the definition of "wholesale sales price" for purposes of the tax on other tobacco products.
- For purposes of the local option economic development property tax exemption, allows the exemption for replacement data center equipment and extends the length of the exemption from 10 to 20 years for such equipment.

HB 7099 has been transmitted to the Governor; he must act by 4/14.

General Appropriations Act - areas of interest:

- **Cultural Affairs Grants** - Cultural Facilities Program: full funding of the Cultural Facilities ranked list in its entirety. Additional funding was allocated to the Miami Military Museum.
- **State Aid to Libraries** - $22.3 million
- **Libraries** - $5 million
    - Library Construction Grant Ranked List - $2 million
    - Library Construction Projects - $1 million
    - Library Cooperatives - $2 million recurring

Economic Development Incentive Programs, Projects and Initiatives - $52.4 million;

- Economic Development Partners - $129.2 million which includes Enterprise Florida (EFI) - $23.5 million and VISIT Florida - $76 million

Affordable Housing Programs - $200.1 million: which includes:

- SHIP - $135.5 million TF (allocated to local governments) and provides more flexibility in the SHIP program regarding rent subsidies and rental assistance and $5.2 million allocated for homeless Challenge Grants

- SAIL - State Housing Programs $64.6 million which includes: at least 50 percent to be used for the SAIL Program, $10 million for competitive grant program for housing developments designed for persons with developmental disabilities, and $20 million for workforce housing to serve low-income persons and households in the Florida Keys Area of Critical State Concern.
- Housing and Community Development Programs, Projects, and Initiatives - $33.2 million which includes Housing and Community Development Projects and Initiatives - $31.9 million and Technical and Planning Assistance and Competitive Florida Partnership Program - $1.3 million

Department of Children and Families

- Mental Health and Substance Abuse Services - $20.5 million
- Grant Program for Central Receiving Systems - $10 million
- Community Teams Providing Mental Health/Substance Abuse Services - $9.8 million
- Expansion of the Criminal Justice, Mental Health and Substance Abuse Reinvestment Grant Program - $6 million
- Additional Staff at the State Mental Health Facilities - $1.4 million GR; $3.1 million TF
- State Mental Health Facilities Additional Forensic Beds - $3.8 million
- Challenge Grant Program for Homeless Assistance - $1.2 million
- Homeless Coalitions - $1 million
- Surveillance System for State Mental Health Facilities - $1.6 million
- Automated Medication Dispensing System for State Mental Health Facilities - $1.5 million

Agency for Health Care Administration

- Florida KidCare Coverage for Lawfully Residing Children - $28.8 million
- Medicaid Homeless Mental Health Transitional Housing - $4.0 million GR; $6.3 million TF

LEGISLATIVE ISSUES

Election Dates for Municipal Office: HB 7059 (Caldwell) This bill passed the House with a vote of 70 – 47, on 2/3. The bill would preempt to the state, the authority to establish the dates of elections of municipal officers and provides the exclusive method for establishing those dates. Any state law, municipal charter, or municipal ordinance that conflicts with the bill is superseded to the extent of the conflict. As a result, a municipality will no longer have authority to unilaterally establish the date of its municipal officer elections. There was no Senate companion bill filed, though throughout Session, it was expected that the Senate would address this issue in a committee bill of sorts. No committee bill was ever filed or existing bill amended with similar language, and therefore this issue did not pass.

Fracking / Regulation of Oil and Gas: As reported, HB 191 (Rodrigues) passed the House on 1/27 with a vote of 73 – 45, and the Senate companion, SB 318 (Richter) was heard but failed by a vote of 9 – 10 in the Senate Appropriations committee on 2/25. Through a rules maneuver, this bill was brought back in this same committee by a motion to reconsider, and was left pending. The bill was back on the agenda for Senate Appropriations for 3/1, but the bill sponsor, Senator Richter, declined the motion to reconsider the bill. Therefore, the bill remains as having failed in Senate Appropriations, 9 – 10. This legislation has strong support and strong opposition, in Florida as well as across the nation. After this issue was reassigned to us, we joined that opposition on behalf of the County. This bill did not pass.

Vote by Mail: HB 361 (by Lee, L., Williams) and SB 112 (Thompson) amends the Florida Statutes to replace the phrase "absentee ballot" with the phrase "vote-by-mail ballot." SB 112/HB 361 was approved by the Governor, Chapter No. 2016-37.

Immigration: Several bills address immigration issues this Session, and are summarized below.

Sanctuary Cities/Federal Immigration Enforcement: HB 675 (Metz) and SB 872 (Bean) would have created the "Rule of Law Adherence Act" which would require state and local governments and law enforcement agencies, including their officials and employees, to support and cooperate with federal immigration enforcement.

Specifically, the bill prohibited state or local governments, or law enforcement agencies, from having any law, policy or practice, which would impede immigration enforcement, and it would require state and local governmental entities and law enforcement agencies to comply with and support immigration policy. The bill would have required any sanctuary policies currently in effect, to be repealed within 90 days of the effective date of this Act.

HB 675 passed all of its committees in the House and passed the full House with a vote of 80 – 38. However, the Senate companion bill, SB 872 (Bean) was not heard in the Senate. Chair of the Senate Judiciary committee, Senator Diaz de la Portilla made the statement mid-session, that he would not hear this bill. This bill was not heard and did not pass.

Persons Subject to Final Deportation Orders: HB 9 (Trujillo) and SB 118 (Hutson) would create a felony of the first degree for anyone who remains in the state after an order of deportation. HB 9 has passed two of its three committees of reference. Regarding the senate companion bill, the chairman of the Judiciary committee, Senator Diaz de la Portilla, also did not hear SB 118. This bill was never heard in the Senate and did not pass.

Temporary Cash Assistance Program: SB 750 (Hutson) and HB 563 (Gaetz, M.) relates to immigration issues, makes changes to the eligibility standards for TANF, by deleting the requirement that the department pro-rate a share of income provided by a parent, that is an illegal or an ineligible noncitizen, in determining family income eligibility for TANF. This bill would allow the department to consider the total family income regardless of whether one parent is a noncitizen. HB 563 has passed the House with a vote of 82 – 33, and was amended in the Senate and passed by a vote of 37 – 0, but died in returning messages to the House. This bill did not pass.

KidCare/ Medical Assistance Funding for Lawfully Residing Children: SB 248 (Garcia CoSponsors: Gaetz (D), Soto) and HB 89 (Diaz, J.) extends Medicaid and Children's Health Insurance Program (CHIP) eligibility to a "lawfully residing child" who is not a citizen or national of the United States but meets other applicable eligibility qualifications of Medicaid or CHIP. The federal programs permit states the option of covering this population. The bill defines "lawfully residing child" to conform to the federal program eligibility requirements and deletes references to "qualified alien." The bill specifies that the statutory changes do not extend Kidcare program eligibility or Medicaid eligibility to undocumented immigrants. SB 248 has passed two of its three committees of reference, but has not been heard in Senate Appropriations. HB 89 has passed all of its committees of reference and has passed the House 118 – 0. Funding and proviso for lawfully residing children is included in HB 5101, which is the health care services bill within the Health Care/Health and Human Services budget.

Natural Gas Rebate Program: SB 90 (Simpson) and HB 285 (Ray) authorizes the Department of Agriculture and Consumer Services (DACS) to receive applications for additional rebates from the natural gas fuel fleet vehicle rebate program, giving preference to governmental applicants. Any remaining funds may be expended for commercial applicant rebates.

SB 90 did pass and has been transmitted to the Governor; he has until 4/6 to act.

Transportation Network Companies (Uber, Lyft ride sharing services): HB 509 (Gaetz, M.) passed the full House during week 3, with a vote of 108 – 10. HB 509 as passed by the House would have preempted to the state the regulation of Transportation Network Companies (TNCs) and create a detailed regulatory framework for the

operation of TNCs. Specifically, this bill would have prohibited local governments from imposing taxes or licenses on TNCs relating to the provision of TNC service. This bill did not pass.

Transportation Network Companies/Insurance: SB 1118, (Simmons), is the Senate TNC bill that addressed insurance required of the company and drivers. This bill would have required the following:

- Specifies minimum insurance requirements for TNCs, and requires transportation network companies or drivers to maintain primary automobile liability insurance of at least $125,000 for death and bodily injury per person, $250,000 for death and bodily injury per incident, and $50,000 for property damage. The bill creates two time periods during which the insurance is required. The first time period is during the time when a driver is logged on to the transportation network company's digital network but not providing a prearranged ride. The second time period is during a prearranged ride.
- Requires TNC drivers to maintain liability insurance of at least $25,000 for death and bodily injury per person, $50,000 for death and bodily injury per incident, and $10,000 for property damage. Such coverage would apply at all times other than during a prearranged ride or when the driver is logged on to the TNC digital network but not providing a prearranged ride. The bill also requires that coverage meeting the requirements of the Florida Motor Vehicle No-Fault Law be maintained at all times.
- Preempts any local ordinances imposing insurance requirements on transportation network companies.
- Requires the TNC to provide an electronic notice to the TNC driver that it is illegal for a TNC driver to solicit or accept a ride if the ride is not arranged through the TNC's digital network; and if a TNC driver provides a ride not arranged through the TNC network, the ride is not covered by the TNC driver's or the TNC's insurance policy.

During the last few days of Session, there was a concerted effort by Senator Brandes, Senator Simmons, and others, to amend this bill and HB 7099, and others, with variations of legislation pertaining to TNCs, our firm worked to oppose these efforts and were able to fight off all amendments. This legislation was temporarily postponed and was never brought up for a full hearing in the Senate. No language passed regarding TNCs, nor did this bill pass.

Mental Health Services in the Criminal Justice System: SB 604 (Diaz de la Portilla) and HB 439 (McBurney) is a comprehensive bill, expanding the authority of courts to use treatment-based mental health and substance abuse treatment programs, expands the eligibility criteria for these programs to enable the participation of children in delinquency court, and for veterans who were released under a general discharge. The bill authorizes dependency courts to require persons having or seeking custody of a child to participate in certain mental health programs. Some county courts would be designated as "criminal county courts" for county-funded mental health court programs and a forensic hospital diversion pilot program. The bill encourages counties to establish and fund treatment-based mental health court programs. The bill also authorizes courts to admit defendants, on a voluntary basis, at both the pretrial intervention and post-adjudicatory level into the programs. The bill further encourages coordination among state agencies, local government, and law enforcement agencies to facilitate these programs. Please see budget summary for further information.

Approved by Governor; Chapter No. 2016-127

Gun Legislation: HB 163 (Gaetz, M.) The full House passed a bill allowing individuals with concealed carry permits to carry guns openly, otherwise known as "open carry". Additionally, HB 163 was amended by Representative Wood to allow those with concealed carry permits, to take concealed weapons into the legislative chambers. The vote was 72 – 43 on this specific amendment language. Amendments were passed that would allow public hospitals to prohibit open carry, and that would allow those with concealed carry permits to take guns on university and college campuses. The Senate President and various key Senate members have voiced strong concern about some of these provisions. Senator Diaz de la Portilla has definitively said that as these bills have been referred to his committee, Judiciary, he would not hear them.

During week 8, in a last attempt to address gun laws, Senator Gaetz filed an amendment regarding "open carry" (amendment bar code 142992), to SB 612, a bill that revises the definition of the term "concealed weapon" to delete its inclusion of a "slungshot." This amendment mirrored a bill by Representative Gaetz, dealing with "open carry" summarized above. The Senator withdrew the amendment and it was not considered.

Traffic Infraction Detectors (Red Light Cameras): SB 168 (Brandes) and HB 4027 (Artiles) would have repealed the use of red light cameras, with an effective date to July 1, 2019, in order to allow for current contracts with municipalities to expire. In the Senate, the bill passed the Transportation committee, which is chaired by Senator Brandes, (the bill sponsor), with a vote of 4 – 3. However, this bill did not have a hearing in the next committee of reference, the Transportation and Economic Development Appropriations subcommittee, nor in any other committee. HB 4027 passed all of its committees and the House, with a vote of 83 – 33, but was not heard in the Senate. This bill did not pass.