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CONSULTING

2018 Legislative Session Week 5

This week was the 2018 Broward Days. We spent two days with Legislators and agency heads and enjoyed having leaders from all sectors of Broward County in Tallahassee to advocate for our area. Major policy bills continued to move this week as committees are nearing their end and large "trains" are beginning to form. The House and Senate both passed their budgets this week. Only one Senator voted against the Senate budget while the House budget passed 85-27. Most of the House debate focused on a large education budget conforming bill, which passed 66-43. The Chambers are now in position to begin the budget conference process. Below are highlights from the week. Please do not hesitate to reach out to Candice at 954-648-1204 with any questions or concerns.

Transportation

Motor Vehicles and Passenger Trains

Senate Judiciary voted unanimously to pass an SFRTA supported bill that would allow for trains to be up and moving faster after accidents. The bill would change the Florida Uniform Traffic Control law to provide that for purposes of crash report forms: railroad trains are not considered motor vehicles, railroad train engineers are not considered drivers or operators, and train crew and passengers are not considered passengers. The one opposing vote represented the Treasure Coast area that has significant concerns with Brightline. The committee adopted a late-filed amendment that gave greater law enforcement discretion and made technical changes. The bill has one more committee in the Senate. Its House companion has not yet been heard.

http://flsenate.gov/Session/Bill/2018/01482

Statewide Alternative Transportation Authority

Senate Transportation voted 6-1 to approve a bill that would create the Statewide Alternative Transportation Authority under the Florida Department of Transportation. The new Authority is designed to move transportation planning and resources from traditional transportation to foster emerging technologies and innovation designed to move the greatest amount of people in the shortest amount of time. Of $60 million in documentary stamp revenue designated for the Florida Rail Enterprise (FRE), the bill would dedicate $25 million to Miami-Dade County and $25 million to the Tampa Bay Area Regional Transit Authority, leaving only $10 million divided amongst the rest of the state. According to the bill sponsors, this funding was dedicated to SunRail in Central Florida, where it is no longer necessary, so offering the funding to the two entities is spreading the funding on a more statewide level. They also contend that the FRE budget has more unencumbered funds that are available for projects across the state than the $60 million. We are working with stakeholders to try to potentially strike a balance that can incorporate more of the South Florida region. Concerns also remain that the new Authority created would be exempt from FDOT procedures and protocols, language that is intended to prevent bureaucratic processes from impeding innovation. The bill has two more committees of reference in the the House and is scheduled for its second of three Senate committees next week.

https://www.flsenate.gov/Session/Bill/2018/01200

DOCKLESS BICYCLE SHARING

Senate Banking & Insurance voted 8-2 to pass a compromise on preemption of local regulation of dockless bicycle sharing companies, which are a newer kind of bicycle sharing company that uses advanced technology to track the GPS location of bikes and have a locking system that does not require a dock. Under the compromise, a local government couldn't limit or ban bike sharing/rental companies from operating within its jurisdiction. A bike sharing company has to meet insurance requirements, register with the Division of Corporations, secure bikes during storms, maintain and rebalance bikes, remove inoperable bikes, provide a way for users to report maintenance issues, ensure bicycles are properly marked, etc. As part of the compromise, all language prohibiting local regulations on business license, entry, rate, operational and other requirements was removed. Local governments can regulate placement, etc. on public lands and impose fines on the companies for violating requirements (up to $5000 and a cease and desist for failing to provide proof of insurance/up to $1000 for failing to file with the Division/up to $1000 for not securing bikes during a storm/ $10 per day up to $100 for each day a bike is unlawfully parked.) Concerns remain that the bill still places the burden of enforcement on the local government without appropriately compensating for that burden. Local governments and representatives of docked bike sharing companies who are currently operating in cities are continuing to work with the sponsor on setting appropriate fines, time periods and insurance requirements. Concerns also still remain with about limiting the number of bikes placed in each jurisdiction based upon the experiences of other areas who have dockless bike sharing companies that have been inundated with bicycles to the point that individuals cannot park their personal bikes. The bill has been scheduled for its second of three Senate committees next week.. Its House companion is in its final of two committees of reference.

https://www.flsenate.gov/Session/Bill/2018/01304

ELECTRIC VEHICLES

House Government Accountability voted unanimously to pass a bill that would require the Florida Transportation Commission to study electric and hybrid vehicles for longterm transportation planning purposes once the percentage of registered electric vehicles in the state reaches a certain threshold. The bill allows the FTC to perform the study prior to the percentage threshold being reached. The intention of the bill is to prepare the state for the increased use of the technology, including understanding infrastructure needs and declining gas tax revenues. The bill is now ready to go before the full House. Its Senate companion has two more committees of reference in the Senate.

https://www.flsenate.gov/Session/Bill/2018/00981

INTERGOVERNMENTAL RELATIONS

DEVELOPMENTS OF REGIONAL IMPACT

House Commerce and Senate Appropriations on Transportation & Economic Development unanimously approved a DRI revision package supported by the Florida Association of Community Developers. The package, among other things, transfers more responsibilities and authority to local governments. The House bill is now ready to go before the full House. The Senate bill has two more committees of reference.

https://www.flsenate.gov/Session/Bill/2018/01151
https://www.flsenate.gov/Session/Bill/2018/01244

FINANCE & TAX

TRAVEL OF COUNTY & MUNICIPAL OFFICERS AND EMPLOYEES

House Public Integrity & Ethics voted 12-6 to approve a bill on official travel by local government officers and reporting requirements for local government candidates and officers after adopting a committee substitute that significantly improved the bill. Under the bill, official travel and an itemized list of anticipated expenses associated with the travel must be approved at a regularly scheduled meeting (originally, the language required a public hearing) with any additional expenses incurred with good cause allowed for approval at the next scheduled meeting (originally, this was inflexible.) The PCS removed a provision that limited expenses to costs necessarily incurred by the public officer during a time period 24 hours before the beginning of the event to 24 hours after the end of the event. The PCS lifted a ban on foreign travel for employees but not for elected officials, which still raised concerns regarding elected officials roles in the growth of seaports and airports and in Florida's position as a global hub particularly with Latin American and Caribbean trade. Travel of constitutional officers is still exempt. For financial reporting, the PCS removed Form 6 requirements for municipal officers- although this provision is in multiple other bills- and changed a requirement for candidate financial reports to be posted on local government websites to candidate websites. The intent of the bill is to prevent employees from taking taxpayer funded vacations. The bill has one more committee of reference in the House. Its Senate companion has not been heard in its first of three committees.

https://www.flsenate.gov/Session/Bill/2018/00815

TOURIST DEVELOPMENT TAX

Senate Finance & Tax voted unanimously to pass a watered-down expanded use of Tourist Development Tax dollars that includes work on "public facilities," defined essentially as any capital project with a lifespan of 5+ years that is related to enhancing tourism. It also allows for improving estuaries and lagoons. The local tourist development council would make a recommendation for the project to the County Commission for approval. The committee adopted an amendment that would only apply the use to counties that generate over $20 million in TDT dollars, require a ⅔ vote of the commission, require the project ties to tourism be verified by an independent study, and require a 30% match of non-tourism dollars. Tourism promotion agencies still opposed the bill out of concerns it diverts revenue from advertising and promotion to local government pet projects . The bill has one more committee stop in the Senate. Its House companion is before the full House.

https://www.flsenate.gov/Session/Bill/2018/00658

FINANCIAL REPORTING

House Appropriations voted 20-7 to require political subdivisions to keep their budgets posted online for 5 years, timely submit their budgets to EDR and the clerk of courts, conduct annual audits and provide them within 6 months of the end of each fiscal year. Clerks could then withhold salaries from the "head" of the local government for failing to submit the audit in time. Local governments and CPAs raised multiple concerns over the change of the timeline from 9 months but thanked the sponsor for his commitment to work with them, which he publicly stated that he is doing. Specifically, the Florida League of Cities testified that Federally required information from the state on pension liabilities is not always timely provided to the local governments, that increasing the burden on CPAs to conduct more audits also increases the expense of what is already a costly exercise, and that municipalities do not currently have a direct relationship with the clerks of court. CPAs testified that some local governments are considered "high-performers" and do complete their audit in 6 months, but small governments tend to need more time to gather their information. The CPAs divide their schedules accordingly, and would be significantly impacted if they a forced to focus on all local governments at one time in a shorter time frame. The bill has one more committees of reference and has not been heard in the Senate.

http://flsenate.gov/Session/Bill/2018/01019

FLORIDA RETIREMENT SYSTEM

House Appropriations voted unanimously to pass a bill that would modify the DROP program for instructional and administrative personnel in grades K-12 to prevent classroom disruption by aligning the maximum participation date with the school year. The bill has one more committee of reference in the House. Its Senate companion has two more.

http://flsenate.gov/Session/Bill/2018/01240

HOUSE TAX CUT PACKAGE

House Ways & Means continued its discussion of concepts that may or may not be included in the House tax cut package as they await budget allocations from the state economists. The concepts were all from bills that have been already filed, including: reducing the aviation fuel tax, brownfield cleanup tax credits, community contribution tax credits, documentary stamp taxes for spousal transfers, Save Our Homes portability for hurricane victims, sales tax for charitable donations, tax credit flexibility/scholarship program, and a reduction in traffic fines. The prior workshop concepts included: reducing the sales tax on commercial leases, exempting products that allow the elderly to age in place, streamlining the process to exempt public entities from sales tax on material for publicly funded construction, and increasing property tax exemptions from $500 to $5000 for the widowed, blind or disabled. Economists have not determined fiscal impact for many of the concepts. The Governor requested a $180 million tax cut package, which is significantly lower than previous tax cuts due to budget constraints. However, state economists anticipate extra funding from sales tax revenues as a result of the hurricanes.