

# BAL HARBOUR

- V I L L A G E -

OFFICE OF THE VILLAGE MANAGER

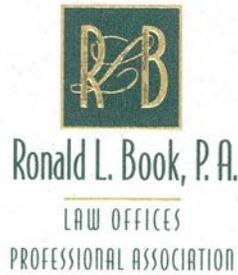
LETTER TO COUNCIL

NO. 039-2016

To: Mayor Martin Packer and Members of the Village Council  
From: Jorge M. Gonzalez, Village Manager   
Date: February 19, 2016  
Subject: Legislative Session Week 5 Report - February 8-12, 2016

The purpose of this Letter to Council (LTC) is to transmit the attached Legislative Session Week 5 Report provided by Ron L. Book.

If you have any questions or need any additional information, please feel free to contact me.



## 2016 Session Week 5 Report

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At the end of week 5, both the Senate and the House passed their respective budgets, setting the stage for the conference committee meetings which are expected to begin shortly. The two budgets differ in areas which include education funding, the tax cut package of the House, and the economic incentive proposals of the Governor. Regarding education, the House budget proposes that 70 percent of the \$601 million in increased education funding would be derived from an increase in local property taxes. The Senate education plan would accomplish the same, but with the state and local governments splitting the obligation 50/50. Another major difference is in the Governor's proposed plan to cut taxes by \$1 billion, the somewhat similar House tax cut package, HB 7099, by Representative Gaetz, and the Senate budget which does not include a tax package at this time. As we have reported, Chairman Lee has made it known that he is wary of long-term tax reductions that would cut too far into the state's budget, and could have strong implications if the economy should take a stronger turn downward. The House bill and its variety of tax cuts and reductions, have passed the full House and are summarized in this report.

Included in this report are updates on legislation affecting local governments. Should you have questions on these issues, or other issues not included, please contact us and we will provide that information.

**Local Government Water Projects:** This week, both the Senate and the House budget passed its respective house with \$50 million allocated for water projects. Individual water project funding will not be finalized until late in the budget conference process.

**Gaming Compact:** During week 5, both the House Regulatory Affairs committee and the Senate Regulated Affairs committee were to meet to consider gaming bills. Chairman Bradley in the Senate postponed the bills for one week, and the committee will next meet on gaming on 2/17.

The House Regulatory Affairs committee did meet, and passed three committee bills, which are now numbered as HB 7109, HB 7111, HB 7113. The trio of bills ratifies and approves the Gaming Compact between the Tribe and the Governor, and permits the Tribe to offer the banked card games (such as blackjack), slot machines, raffles and drawings, live table games (such as craps and roulette), and any other game authorized in Florida. In exchange, the Tribe will make revenue sharing payments totaling at least \$3 billion to the State during the first 7 years of the Compact. The Tribe may stop or reduce revenue sharing payments if the state authorizes specified gaming in violation of the Tribe's exclusivity rights as set forth in the 2015 Compact.

The legislation makes amendments to the pari-mutuel wagering, slot machines, and gambling chapters of the Florida Statutes, including:

- Permitting greyhound, harness, quarterhorse, and certain thoroughbred permitholders to conduct pari-mutuel wagering, cardrooms, and slots without the requirement of live races;
- Providing for the revocation of dormant permit, under certain conditions;
- Providing for a new limited slot machine permitholder to be selected pursuant to specified criteria that shall be prohibited from operating live racing or games;

- Prohibiting the issuance of new or additional permits, and prohibiting the conversion of permits;
- Prohibiting the transfer or relocation of most pari-mutuel permits or licenses;
- Prohibiting the issuance of additional summer jai alai permits;
- Removing tax credits for greyhound permitholders and revising the tax on handle for live greyhound racing and intertrack wagering from 5.5% to 1.28%;
- Authorizing video race terminals at certain facilities;
- Removing provisions that allow for reissuance of permits after they escheat to the state;
- Repealing tax credits for unclaimed greyhound racing wagers;
- Revising the requirements for a greyhound permitholder to provide a greyhound adoption booth at its facility and requiring sterilization of greyhounds before adoption;
- Requiring injuries to racing greyhounds be reported;
- Extending weekday hours of operation for all slot machine and cardroom licensees from 18 to 24 hours;
- Streamlining the slot machines chapter and limiting the issuance of slot machine licenses;
- Providing that slot machine gaming may be performed in a certain county at a licensed facility, that may be located outside of Miami-Dade or Broward counties;
- Providing that complimentary or reduced-cost alcoholic beverages may be served to persons playing slot machines;
- Providing that an automated teller machine may be located within the designated slot machine gaming areas of a slot machine licensees' facility;
- Providing for the relinquishment of permits in order to obtain a limited slot license.

Lastly, the trio of bills propose an amendment to State Constitution to provide that power to authorize the expansion of gambling should be proposed and approved as a constitutional amendment by initiative petition.

**Tax Cut Package:** HB 7099 (Gaetz, M.) passed the full House on 2/11 with a vote of 96 – 17. (The Senate has yet to put together a full tax cut package, see comments above.) As summarized in the week 4 report, HB 7099 provides for a variety of tax reductions, including the following:

- Permanently reduces the state sales tax rate on rental of commercial real estate (business rent tax) from 6% to 5%, beginning January 1, 2017, with an additional one percentage point reduction (to 4%) in calendar year 2018 only.
- Includes new, extended or expanded sales tax exemptions for: machinery and equipment for manufacturing, agricultural postharvest activities, and metals recycling;
- Sales at school book fairs for one year; sales of college textbooks and instructional materials for one year;
- Building materials, pest control, and rental of tangible personal property used in new construction in rural areas of opportunity;
- Electricity and building materials used by new or expanding Florida datacenters;
- Sales of food and drink by military veterans service organizations to their members, and re sale of admissions for three years.
- Clarifies requirements for the current exemption on sales of aircraft that will be registered in a foreign jurisdiction.
- Includes the following sales tax holidays:
  - a ten-day “back-to-school” holiday for clothing, footwear, school supplies, and computers;
  - a one-day “technology” holiday on sales of computers and related accessories;
  - a one-day “small business” holiday, for sales by small businesses;
  - a one day “hunting and fishing” holiday for hunting firearms, ammunition, camping tents, and fishing supplies.
- For property taxes, the bill: clarifies that for a limited period, economic development tax exemptions can be granted in areas which were designated enterprise zones as of December 30, 2015; expands the homestead exemption available for the surviving spouses of totally and permanently disabled veterans;

creates a property tax discount on property used for affordable housing; and allows a midyear transfer of the disabled veteran homestead exemption.

- For corporate income tax, the bill: temporarily increases total tax credits available for voluntary brownfields clean-up, research and development tax credits, and renewable energy technology and production tax credits. The bill adopts the Internal Revenue Code as in effect on January 1, 2016, but decouples from federal bonus depreciation provisions and changes filing dates to conform with federal filing date changes.
- Further changes in the bill include: equalization of the tax rates on apple and pear cider; changes to allowable and required uses of tourist development taxes;
  - Elimination of a current exemption from and a reduction of the aviation fuel tax rate;
  - Clarification of administration of the tax on other tobacco products;
  - Clarification of documentary stamp tax treatment of housing authority notes; requiring at least 5% of community redevelopment agency revenues be spent on youth centers;
  - Replacement of the current tax calculation on liquor and tobacco sold on cruise ships with a simpler, revenue neutral calculation.

**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, and is awaiting action in the Senate. HB 509 as passed, would take effect July 1, 2016, and was summarized in detail in the week 4 report.

**Transportation Network Companies/Insurance:** HB 1118, (Simmons), is the Senate TNC bill that at this time, only addresses insurance required of the company and drivers, and would take effect July 1, 2017.

SB 1118 was amended in Senate Judiciary this week, and would now also require 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.

As summarized in the previous report, the bill also:

- 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.

SB 1118 passed the Judiciary committee with a vote of 7 – 3.

**Public Corruption:** HB 7071 (Workman) passed the full House on 1/27, and is awaiting Senate action. This bill would do away with two issues in proving bribery, bid rigging and fraud. The bill’s provisions include recommendations from a statewide grand jury on public corruption and is backed by the Florida USA Today Network. This major piece of legislation is quite comprehensive. The bill expands who would be subject to criminal sanction, classifies private contractors as “public servants” for the purpose of fighting public corruption, and shifts the burden of proof from the prosecution to defense. Current law stipulates that prosecutors have to prove corrupt intent. The bill requires defendants who are accused of knowingly and willingly engaged in illegal conduct, to

prove otherwise. Also included is a provision that expands who is determined to be a public servant and therefore who could be prosecuted for these offenses, including bid tampering.

**Public Corruption:** SB 582 (Gaetz) the Senate companion to the House bill, passed the Rules committee, with a vote of 11 – 0.

**Election Dates for Municipal Office:** HB 7059 (Caldwell) The Florida League of Cities remains strongly opposed to this bill. This bill has passed the House with a vote of 70 – 47.

The bill preempts 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.

The House bill requires the date of elections for municipal officers to be established in accordance with one of the following options:

- Option 1: All elections of municipal officers in a county may be held on the same date as the general election in November of each even-numbered year or on the first Tuesday after the first Monday in November of each odd-numbered year, or both, as determined by the supervisor of elections (SOE);  
or
- Option 2: All elections of municipal officers in a county may be held on one alternative fixed date each year if the SOE and all municipalities within the county agree to the date and each municipality within the county adopts the date by ordinance. Each ordinance must also provide the dates for qualifying for the election and the date on which the elected officers' terms of office commence.

The dates for elections of municipal officers may be selected under either Option 1 or Option 2, but not both.

Additionally, the provisions of the bill that establish the method of selecting municipal election dates do not affect the manner in which vacancies in municipal office are filled or the manner in which recall elections for municipal officers are conducted. Lastly, in order to provide for an orderly transition of office, the bill provides that the terms of incumbent elected municipal officers, affected by the change in election dates, will be extended to the next municipal election.

**Election Dates for Municipal Office:** The House bill has no Senate companion at this point, however, the League of Cities has let us know that the Senate Ethics and Elections Committee will be introducing a proposed committee bill (PCB), next Tuesday that would mirror the House bill language as summarized above. This PCB has not yet been released.

**Gun Legislation:** HB 163 (Gaetz, M.) The full House has 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. Also, 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, and have indicated that the Senate will not hear this bill, and the Senate has not heard these to date.

**Election of Officers:** HJR 165 (Artiles) proposes to amend the State Constitution to require that the offices of sheriff, property appraiser, supervisor of elections, tax collector, and clerk of the circuit court, would be elected offices, and would carry four year terms of office. The joint resolution was amended in its first committee to include tax collector, and to specifically clarify that the proposed constitutional amendment is applicable to all

counties, including Miami-Dade County. Lastly, the HJR was amended to delay implementation until January 8, 2019, so that the affected counties would have time to amend their charters and hold elections.

The Senate companion, SB 648 (Hutson) was temporarily postponed in committee. We continue to work with members and the bill sponsor in both houses, to strongly oppose this bill, and subsequently the Senate bill has not had a hearing to date.

**Traffic Infraction Detectors (Red Light Cameras):** SB 168 (Brandes) which repeals the use of red light cameras, was passed by the Transportation committee with a vote of 4 – 3. The bill was amended in committee to change the effective date to July 1, 2019, in order to allow for current contracts with municipalities to expire. However, the bill is next assigned to be heard by the Transportation and Economic Development Appropriations subcommittee, Chaired by Senator Latvala, and the bill is not likely to be heard.

HB 4027 (Artiles) is the house companion bill. This bill passed the Economic Affairs Committee, 13 – 3, on 1/21, and is scheduled to be heard in the full Appropriations committee on 2/16.

**Drones:** SB 642 (Diaz de la Portilla) and HB 459 (Fitzenhagen) these bills provide for liability for injury to a person or property damage in this state for the negligent operation of a drone. HB 459 has not been heard to date.

SB 642 passed the Rules committee, 12 – 1.  
The House companion, HB 459 has not been heard to date.

**Drone Use by Sexual Predators:** SB 510 (Hukill) and HB 1301 (Metz) would create a third degree felony for convicted sexual predators who use or operate a drone to view or record an image of a minor.

SB 510 has not been heard to date.  
HB 1301 will be heard in the Justice Appropriations Subcommittee on 2/16.

**Body Cameras/Law Enforcement Officers:** HB 93 (Jones) and SB 418 (Smith) Requires law enforcement agencies that permit law enforcement officers to wear body cameras, to develop policies and procedures governing the proper use, maintenance, and storage of body cameras and recorded data. The policies would be required to include the following:

- Guidelines for the proper use, maintenance, and storage of body cameras;
- Any limitations on which law enforcement officers are permitted to wear body cameras;
- Any limitations on law enforcement-related encounters in which law enforcement officers are permitted to wear body cameras; and
- Guidelines for the proper storage, retention, and release of audio and video data recorded by body cameras.
- Training for use and storage of camera, and use and maintenance of data.

SB 418 will be heard in Community Affairs on 2/16.  
HB 93 was not heard this week.

➤ **The following are bills filed that affect local governments that our firm is monitoring. None of the following bills have been heard to date:**

**Texting while driving:** SB 328 (Altman) and HB 537 (Perry) would authorize law enforcement officers to stop motor vehicles and issue citations as a primary offense to people who are texting and driving. Currently texting while driving is a secondary offense. Neither bill has been heard to date.

**Texting while driving in a school zone:** HB 25 (Stark) and SB 246 (Sachs) is a different approach, which would only make texting while driving a primary offense while in a school zone or in a school crossing. Neither bill has been heard to date.

**Community Investment Program:** HB 33 (Rodgers) and SB 240 (Soto) would establish an investment program within the Department Of Economic Opportunity. The program will focus investment to reduce poverty in economically disadvantaged communities. Neither bill has been heard to date.

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