

Legislative Update



February 17, 2012

Budget

The Senate budget (SB 2000) was voted out of the full Senate Budget Committee on Wednesday after a long, contentious discussion regarding the funding reduction to the University of South Florida. The cuts to USF and a handful of other institutions is based on reported available cash balances. The \$70.8 billion budget was approved by the committee after an 8 hour meeting and is expected to be taken up on the Senate floor next week.

The Senate budget is \$1.6 billion larger than the House plan. Leadership in both chambers will iron out the allocations for both respective spending plans before budget conference can begin. The most significant differences between the chambers is in health care and transportation. The Senate budget includes a substantially larger allocation to transportation, in part because it incorporates local expressway authorities in Orange and Hillsborough Counties into the state budget, and healthcare spending is \$200 million lower than the House largely because of the Senate's plan to replace hospital subsidies with Intergovernmental Transfers to managed care organizations.

As reported earlier, the Senate has included a \$5 million transfer to the Transportation Disadvantaged Trust Fund in SB 7104. The House does not include the provision.

Legislation

Senate County Medicaid Billing Collection

In efforts to uncover new general revenue for the state coffers, Senate budget leaders have directed their attention to county Medicaid billing collections. The proposal will include all unpaid county Medicaid claims (even those older than four years) and only forgive 15% of the totals owed. The unpaid bills (from the state's perspective) will be withheld from revenue sharing (sales and cigarette taxes with a limit of 50%) for 3 to 5 years.

The proposal will withhold ½ cent sales tax distribution in the amount owed each month for Medicaid share of cost. If it can be proved that an individual is not a resident, the county will have to file for a refund from the state.

We are working with FAC to develop a course of action with Senate staff and leaders. The House does not currently include this provision.

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SB 1064/HB 1003 Tangible Personal Property

This joint resolution proposes an amendment to Article VII, section 3 of the Florida Constitution, that would allow the Legislature to provide by general law that:

- Taxes on tangible personal property are not due unless the assessed value of the property exceeds a specified amount greater than twenty-five thousand dollars;
- Tangible personal property is subject to taxation at a specified percentage of its assessed value; or
- Tangible personal property is totally exempt from taxation.

The bills have been estimated to cost counties \$20.1 million.

Compromise language has been introduced which removes all language related to the potential delegation of authority to the legislature to modify TPP exemptions by general law.

The language does include the additional exemption of TPP for values assessed up to \$50,000. TPP valued over \$50,000 will still only receive the original \$25,000 exemption passed in 2008.

The concept of Local Option Home Rule authority to grant further TPP exemptions to new or existing businesses by local governments is also included in the language.

HB 1003 was scheduled for a hearing this week in House Economic Affairs, but was Temporarily Postponed in committee.

HB 421/SB 604 Fertilizer

The bills provide that the Legislature finds that the implementation of BMPs for commercial fertilizer application to urban landscapes is a critical component of the state's efforts to minimize potential impacts to water quality. The bill also provides that persons who have obtained the limited certification for urban landscape commercial fertilizer application are required to follow BMPs, and that they are exempt from local government ordinances that address the fertilization of urban turfs, lawns, and landscapes.

This issue is most likely dead for this Session.

HB 1263 DOH Reorganization

The bill which would require Counties to take over their local County Health Departments with the State establishing block grants is likely dead this Session. Although a Senate bill (SB 1824) which includes a few of the House bill's provisions, such as closing the A.G. Holley State

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Hospital and requiring the Division of Medical Quality Assurance to develop a plan to improve the efficiency of its functions, is moving through the process.

SB 1824 is now in the 2nd committee of reference.

SB 1888/HB 1393 Online Travel Company Taxes

Local governments interpret the law such that internet intermediaries acting as merchants are sales tax dealers and that the total amount of each transaction is taxable. The internet intermediary acts in place of the accommodation owner in renting, leasing, or letting the real property, tangible personal property, and services as part of the accommodation. Local governments contend that dividing the sale of an accommodation reservation into discrete transactions ignores the sale's singular nature. They are concerned that allowing intermediaries to shoehorn customary accommodation services into the nontaxable category will erode the tax base.

Both bills will reduce counties tourist taxes by \$78 million annually and state taxes by \$38 million annually according to the Revenue estimating Conference.

HB 1393 was Temporarily Postponed again this week in House Finance and Tax and the Senate bill has not been scheduled as of yet.

SB 820/HB 999 Septic tanks

The bills repeal the onsite sewage treatment and disposal system evaluation program, including legislative intent, program requirements, and the Department of Health's (DOH) rulemaking authority to implement the program. The bill requires counties and municipalities with a first magnitude spring to develop and adopt by ordinance a local evaluation and assessment program, unless the county or municipality opts out.

They also authorize all other counties and municipalities to establish local evaluation and assessment programs. The Senate version has passed through Senate Environmental Preservation and Conservation, Health Regulation, and the Budget Subcommittee on Health and Human Services Appropriations.

The House bill passed the second committee of reference this past week. There was no movement on the Senate bill this week.

SB 590 Traffic Control Signals

The bill requires the Florida Department of Transportation ("FDOT") and local authorities to ensure traffic control signals meet guidelines based on a pre-determined schedule. Provisions of the bill require that whenever an engineering analysis is undertaken to evaluate or reevaluate signal display durations, FDOT and local authorities will be responsible for ensuring traffic control signals meet guidelines related to the following:

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A minimum yellow signal display duration; and
An all-red clearance interval following the yellow signal display.

The bill also:

Provides for the dismissal of citations issued for running a red light if the traffic control signal does not meet requirements;

Requires FDOT and local authorities to place signs alerting drivers approaching intersections with a speed limit of greater than 55 miles per hour; and

Details a schedule for compliance as well as the result(s) of non-compliance.

Both state and local governments may see a decline in revenue from the issuance, and payment, of red light citations and an increase in the expenditure of funds related to ensuring traffic control signals meet requirements. FDOT estimates state government expenditures related to implementation of the bill to be approximately \$812,830. Local government expenditures are estimated to be at least \$300,000.

The bill is effective July 1, 2012, and requires FDOT and local authorities to ensure all intersections with traffic infraction detectors meet requirements by December 31, 2012. All traffic control signals must meet requirements by December 31, 2014.

SB 590 now has two more committee stops.

A delete all amendment diverting all revenue from local governments to state general revenue was filed to another red light bill, HB 343 Traffic Infractions, this week. The bill was ultimately Temporarily Postponed by the House TED Committee this week.

SB 250 Traffic Control passed the Senate Education Pre-K – 12 and has one more committee stop this week.

SB 760/HB 1063 Local Business Tax Repeal

SB 760 was temporarily postponed (TP) by the Senate Community Affairs Community last week, and was TP'd in the same committee again this Monday. The House companion HB 1063 was also Temporarily Postponed by the House Finance & Tax Committee.

The local business tax authorized under Chapter 205, F.S., represents the taxes charged and the method by which a local government authority grants the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. Counties and municipalities may levy a business tax, and the tax proceeds are considered general revenue for the local government. SB 760 repeals the tax over a period of years.

Both bills have stalled and appear likely dead this Session.

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SB 1070/HB 785 Term Limits

CS/SJR 1070 proposes an amendment to s. 1, Art. VIII of the State Constitution to authorize the imposition of term limits on county commissioners when provided for by county charter. This joint resolution provides that the amendment will be submitted to the Florida voters for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose. Specifically, the amendment also adds language to s. 1(e), Art. VIII, which provides that a county charter may impose term limits on county commissioners.

HB 785 was amended to only apply to charter counties provided by referendum. The House bill is on the House floor currently and the Senate bill has one more committee stop.

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