



2019 Legislative Session Summary

The 2019 Legislative Session adjourned Saturday May 4th extending session past the scheduled May 3rd adjournment date, in order to vote on the budget. Heading into this Legislative Session, the new Governor called for record funding for the environment with an emphasis on water quality and Speaker Oliva called for healthcare reform in all facets of the industry including the repeal of the Certificate of Need process. President Galvano on the other hand played his cards closer to the chest and his vision for a multi-use corridor toll road expansion program only materialized late in the legislative process.

2019 marked the second year in a row where the legislature had to spend significant resources on hurricane response and recovery this time with Hurricane Michael which was the most powerful storm to impact the Florida Panhandle in recorded history. The legislature was also tasked with analyzing school districts' responses to the 2018 call for additional school hardening in the wake of the Marjory Stoneman Douglas (MSD) massacre and the recommendations of the MSD Commission. The Commission's recommendation to expand the Guardian Program to allow trained teachers to carry guns (SB 7030), as well as, the bill to ban sanctuary cities (SB 168) fueled heated marathon legislative debates and spawned several disruptive protests at the Capitol. Despite the highly charged emotional environment the legislature ultimately passed both pieces of legislation to adjourn on time, however, budget negotiations ran long and the legislature had to gavel back in on Saturday afternoon to take a final vote.

To be sure, the 2019 session was far less acrimonious than the previous two years. Both chambers worked well with each other and out of the spotlight, and the Governor, while very engaged in the process, allowed the legislature to do their job. When all was said and done, the Governor, Speaker and President all saw their priorities pass. Governor DeSantis got additional funding for the environment and workforce education programs; President Galvano's multi-use corridor road expansion program (SB 7068) was adopted; and Speaker Oliva passed legislation that eliminates the Certificate of Need process (HB 21) and expands ambulatory surgical centers (HB 843) and telehealth (HB 23).

Budget

Governor DeSantis vetoed a little over \$131 million before signing the final budget for FY 19-20 at \$90.98 billion. As it relates to the Governor's focus on the environment, the budget includes over \$400 million for Everglades restoration, \$100 million for springs restoration, \$50 million for targeted water quality improvements (including a \$25 million cost-share grant program for septic to sewer conversions and wastewater improvements), \$50 million for beach renourishment, \$49 million for local government water projects, \$40 million for an alternative water supply grant program, and \$25 million to combat blue-green algae and red tide.

The budget invests \$21.8 billion in total funding for K-12 public education which increases per student funding by \$242 per student, increases school safety initiatives by \$18 million for a total of \$180 million, and increases mental health initiatives by \$5.8 million for a total of \$75 million. The budget funds Voluntary Pre-Kindergarten at \$402 million which is a \$3.8 million increase over prior year. The budget also includes state operating funding for Florida's higher education system of \$1.3 billion for our colleges and \$2.6 billion for our universities. The budget also includes a renewed focus and additional funding on workforce initiatives and apprenticeship programs.

The budget provides for hurricane recovery efforts through multiple state agencies which includes \$273 million for housing repairs for low to moderate families impacted by Hurricane Irma, \$84 million for land acquisition and construction of new workforce affordable rental housing in areas impacted by hurricanes, \$115 million for affordable housing targeted to areas impacted by Hurricane Michael, \$60 million for a business recovery grant program for the cost of replacing equipment and inventory damaged by Hurricane Irma, \$75 million for a voluntary home buyout program for counties interested in acquiring residential properties in high flood risk areas, and \$20 million to implement a hurricane recovery workforce training program.

Some of the money dedicated to hurricane housing programs mentioned above were taken from trust funds which resulted in the State Apartment Incentive Loan (SHIP) and State Housing Initiative Partnership (SAIL) being funded at \$31 million and \$46.6 million respectively.

The budget provides for \$9.7 million for the State Transportation Work Program and approximately \$65 million for local transportation projects. The Florida Job Growth Fund which helps fund job training and public infrastructure projects and is overseen by the Governor was funded at \$40 million which was a decrease of \$45 million from the prior year. VISIT FLORIDA also saw a significant budget reduction and was funded at \$50 million, \$25 million less than prior fiscal year. The budget also provides \$14.8 million for state-level election oversight activities with a focus on cyber-security enhancements with a total of \$2.8 million for Supervisors of Elections security initiatives.

The budget includes more than \$123 million to fight the opioid crises in Florida which includes over \$83 million in federal funding from the State Opioid Response Grant to support evidence-based prevention programs, medication assisted treatment and recovery. It also includes \$30 million to continue funding the Community Action Teams (CAT) that provide community based behavioral health services for persons aged 11-21 with mental health and/or substance abuse initiatives.

Also of note, is that the budget seeks to fully fund the state actuary's recommended employer contributions into the Florida Retirement System Trust which will increase by approximately \$123 million compared to the contributions paid in the previous year; the increase to the counties' is over \$48 million.

Policy

Like the past several years, the 2019 session saw no shortage of preemption bills but only a few ultimately passed. To the surprise of many, the first piece of legislation vetoed by the Governor was a bill that included a provision that would have preempted local governments from regulating the use of plastic straws. In his veto letter on HB 771, the Governor stated that he did

not feel that such local measures “*frustrated any state policy or harmed the state’s interest*” and encouraged local communities to deal with the issue.

Other preemption bills that passed include the inability to regulate residential vegetable gardens (SB 82), new restrictions on the enforcement of local government tree trimming ordinances (HB 1159), further limitations on local governments’ ability to regulate communications equipment in public rights-of-way (SB 1000), and the inability to collect impact fees any earlier than the issuance of a building permit (HB 207). Efforts to limit local government authority to regulate vacation rentals, sunscreen, the legal smoking age, tobacco and nicotine products, motorized scooters, and local business regulations and occupational licensing all failed. However, going forward please note that HB 829 passed this session and provides for attorney fees to be awarded in actions where a local government ordinance is expressly preempted by state law. As originally filed, it provided one-way attorney fees to the plaintiff.

The legislature passed a much-watered down Community Redevelopment Agency bill (HB 9) that increases audit, ethics training, reporting and accountability measures, and requires a majority vote of the governing body that created the CRA to extend the term of the CRA beyond September 30, 2029. HB 5 requires any referendum to levy a local option sales surtax to be held during a state general election; special elections are no longer permitted.

After several stalled attempts, texting while driving will become a primary offense in Florida. HB 107 provides for a grace period through the end of the year in which law enforcement will issue warnings. In an effort to ensure law enforcement does not engage in pretextual stops, it requires law enforcement to note the race and ethnicity when issuing a citation for a violation. It also prohibits the “handheld use” of a phone while in a school crossing, school zone and work zone.

Several environmental bills were filed this session seeking to enhance water quality improvements, bio-solids management, sewage spill notification and penalties, and onsite sewage treatment and disposal system remediation plans, but none of them passed. Two bills of interest that did pass were HB 325 which revises the criteria for ranking beach management and erosion projects for annual state funding, and SB 1552 which establishes a partnership between the Fish and Wildlife Conservation Commission and Mote Marine Lab to develop technologies and approaches to control and mitigate red tide. In addition to these bills of course, was the record high funding for the environment and water resources.

The legislature passed its annual tax cut package for FY 19-20. It further reduces the sales tax rate on the rental of commercial property from 5.7 to 5.5 percent, reducing tax revenues by an estimated \$64.5 million. It establishes a 5 day back to school tax holiday and a 7day disaster preparedness holiday, as well as, provides several sales and property tax deductions in hurricane impacted areas.

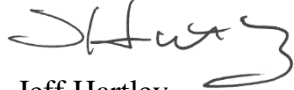
After failing the last few years, the legislature finally passed a comprehensive criminal justice reform package. HB 7125 makes several changes to the system but probably most importantly from a local government perspective it: increases the felony theft threshold from \$300 to \$750; it reduces driver license suspensions and revocations for non-driving related reasons and requires clerks of court to host a driver license reinstatement day; it creates penalties for bringing a cell phone into a jail; it authorizes the creation of community courts and expands eligibility for drug courts; and repeals the mandatory direct file for juvenile offenders. Please be aware that the last

item, the repeal of direct file may lead to more juvenile detention days as more juveniles may stay in the juvenile system instead of being transferred to adult court and county jail. However, it is the hope that other provisions in the bill which seek to divert persons from incarceration will make this a neutral fiscal impact to local governments at worst, but hopefully positive fiscal at best.

Finally of interest is HB 7103 which is a comprehensive growth management bill. Some of the more significant provisions would require a local government that has an inclusionary housing ordinance to fully offset the costs to the developer through incentives, imposes time limits to review applications for development orders, modifies how impact fees can be used, imposed or credited against, and allows a prevailing party in a development order to collect attorney fees and costs.

As always, thank you for your coordination of the advocacy team and its efforts. Please advise should you require any additional information on any issues.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeff Hartley", with a stylized flourish at the end.

Jeff Hartley