

MEMORANDUM

TO: NAIOP
FROM: GrayRobinson
DATE: March 10, 2019
SUBJECT: 2019 Legislative Session – Week One Summary

Governor Ron DeSantis, House Speaker José Oliva, and Senate President Bill Galvano have set the tone for the 2019 Legislative Session.

DeSantis, during his State of the State Address at the start of Session, reiterated his “bold” approach to his first two months in office. He’s put forth the largest spending plan in Florida’s history and recommended numerous policy changes for lawmakers to consider this year.

His speech asked for some follow-through from the House and the Senate:

“Be bold in championing economic opportunity, be bold in protecting Florida’s environment, be bold in improving education, be bold in defending the safety of our communities, be bold because while perfection is not attainable, if we aim high we can achieve excellence.”

Galvano, who helms the “upper chamber,” offered a broad approach to the 60-day lawmaking process during opening remarks delivered last Tuesday. He urged collaboration and thoughtfulness while refraining from diving too deep into specifics.

“If we as a Senate do not feel a bill is right, or ready, let us be willing to step back, rethink, and regroup,” Galvano said. “Most importantly, if necessary, let us have the discipline to be willing to walk away.”

Oliva, in contrast, spoke to chamber colleagues primarily about sweeping health care reforms — ideas that are expected to define his tenure in the House.

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“Floridians are depending on us to remedy this crisis,” Oliva said. “That is why this year we will pass comprehensive healthcare reform. No single policy will be the solution. A truly comprehensive approach is what is required.”

That wasn’t the only things that occurred during Week 1. Those additional items and our efforts on your behalf are summarized below.

Activities and Bills related to NAIOP

Lobbying Activities –

Business Rent Tax – Bills are being filed (detailed below) and the House and Senate leaders continue to signal another cut in this tax.

FAST Act – Representative Scott Plakon and Senator Keith Perry have filed their bills and the House bill is up on its first committee agenda on Tuesday.

Lease Signatory Changes – There will be a key meeting on Monday with House sponsor to discuss an alternative to witnessing. Thank you Brendon Dedekind for continuing to work on this issue.

Bills of Interest

Promote Business Friendly CRE Regulations

Permit Fees – SB 142 (Perry) and HB 127 (Williamson) –These identical bills would require the governing bodies of counties and municipalities to post their permit and inspection fee schedules and building permit and inspection utilization reports on their websites; require certain governing bodies of local governments to post their building permit and inspection utilization reports on their websites by a specified date.

Notes: This is the same bill filed last year. If not for Parkland and the ensuing legislation that followed, this bill would have passed.

Senate Committee References: Community Affairs; Innovation, Industry, and Technology; and Rules

House Committee References: Local, Federal & Veteran Affairs Subcommittee; Business & Professions Subcommittee; and State Affairs Committee

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UPDATE: On Tuesday, the State Affairs Committee passed the bill 22-0. It is now on the House calendar. The Senate bill was passed on Wednesday, Innovation, Industry, and Technology by a vote of 14-0. It is now in Rules.

Impact Fees – SB 144 (Gruters) and HB 207 (Donalds) –These similar bills would require that the earliest a government can collect impact fees is the issuance of the certificate of occupancy for the property. This bill would exempt water and sewer connection fees from the Florida Impact Fee Act. The effective date is July 1, 2019.

Notes: This bill is nearly identical to the legislation filed by former Senator Dana Young last session. The addition of the water and sewer connection exemption is new. Also like the Permit Fees legislation, this bill had momentum and likely would have passed if not for Parkland last session.

Senate Committee References: Community Affairs; Finance & Tax; Appropriations

House Committee References: Local, Federal & Veterans Affairs Subcommittee; Commerce Committee; and State Affairs

UPDATE: On Tuesday, the Senate Community Affairs passed the bill 5-0. It is now in Finance and Tax. Also on Tuesday, the House Commerce Committee passed the bill 22-0. It is now in State Affairs Committee.

Open and Expired Building Permits – HB 447 (Diamond) and SB 902 (Perry) would provide pro-builder requirements related to open & expired permits, including permit requirements, closing of permits and notice thereof, amendment of Florida Building Code to acknowledge changes, and restrict powers of local governmental entities to close permits. The effective date is October 1, 2019.

House Committee References: Business and Professions Subcommittee; Local, Federal & Veterans Affairs Subcommittee; and Commerce Committee.

Senate Committee References: Community Affairs; Innovation, Industry, and Technology; and Rules.

UPDATE: On the Senate Community Affairs agenda for March 12.

FAST Act – HB 1139 (Plakon) and SB 1752 (Perry) - Requires county or municipality that imposes inspection fees to establish expedited inspection process that provides priority processing for such inspections; authorizes county or municipality to charge additional fee up to specified amount for expedited inspection process; requires such local governments to establish expedited permitting process that provides priority processing for such permits; authorizes local government to charge additional fee for expedited inspection process; provides that local

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government must require applicant to pay only specified percentage of fees due upon receipt of application; provides for reduction of outstanding fees due; provides for refund of fees; specifies that certain procedures apply to building permit applications for any nonresidential buildings. Effective Date: July 1, 2019

Senate Committee References: Community Affairs; Innovation, Industry and Technology; and Rules

House Committee References: Local, Federal & Veterans Affairs Subcommittee; Business & Professions Subcommittee; and State Affairs Committee

UPDATE: House bill is on Local, Federal & Veterans Affairs Subcommittee on Tuesday, March 12.

Electronic Legal Documents – HB 409 (Perez) and SB 548 (Brandes) would authorize online notarizations; specify requirements & standards for performance of such online notarizations; require the Department of State to adopt rules by January 1, 2020. The effective date is January 1, 2020.

NAIOP Effect: This legislation will serve as the vehicle for changes in the commercial lease witness requirements. Sponsor has agreed to work with NAIOP on potential solutions.

House Committee References: Civil Justice Subcommittee; Transportation & Tourism Appropriations; and Judiciary.

Senate Committee References: Judiciary; Government Oversight and Accountability; and Rules.

UPDATE: House bill was due to be heard in Civil Justice Subcommittee, but was temporarily postponed. Expected to be heard in Week 3.

Community Redevelopment Agencies – HB 9 (LaMarca) and SB 1054 (Lee) – these comparable bills prohibits a person from lobbying a community redevelopment agency until he or she has registered as a lobbyist with that agency. As well, the House Bill prohibits the establishment of any new CRA after October 1, 2019, unless by a county-wide referendum. Finally, the bill would terminate all CRAs as of September 2039, unless approved by governing body by a two-thirds vote. The effective date is July 1, 2019.

House Committee References: Local, Federal & Veteran Affairs Subcommittee; Ways & Means Committee; State Affairs Committee

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Senate Committee References: Community Affairs; Appropriations Subcommittee on Transportation, Tourism, and Economic Development and Appropriations

UPDATE: House Local, Federal & Veterans Affairs Subcommittee passed bill 10-4 on Tuesday, March 5. It is on Ways & Means Committee agenda March 12. The Senate bill has not yet moved.

Florida Building Code Enforcement – HB 715 (Robinson) and SB 1036 (Gruters) – would prohibit local governments from carrying forward balances resulting from its enforcement of the Florida Building Code which exceed the average of its operating budget, not including reserve amounts, for the previous two fiscal years; requiring local governments to use any excess funds to increase services or provide funding to entities designated as not for profit, etc. The effective date is July 1, 2019.

House Committee References: Local, Federal & Veterans Affairs Subcommittee; Business & Professions Subcommittee; and State Affairs Committee

Senate Committee References: Community Affairs; Innovation, Industry, and Technology; and Rules

UPDATE: House bill on Local, Federal & Veterans Affairs Subcommittee for March 12.

Job Growth Grant Fund - Governor's proposed budget sought renewal of the \$85 million grant fund. House and Senate leaders have indicated a willingness to support this program.

Deregulation of Professions and Boards – HB 27 (Ingoglia) and SB 1640 (Albritton) - Among many things, these bills reduce the size of the Florida Building Commission, including the removal of the building owners' representative. Effective Date: July 1, 2019

Senate References: Infrastructure & Security; Commerce and Tourism; and Rules

House References: Business & Professions Subcommittee; Government Operations & Technology Appropriations Subcommittee; and Commerce Committee

Promote Feasible Sustainability Initiatives

Wetland Mitigation – SB 532 (Lee) would allow local governments to provide mitigation credits for a project if alternative mitigation credits are not available from a mitigation bank. In theory, this project would allow local governments and developers to be more creative in approving a project. Another bill, **HB 521 (McClure)** would make clear that the mitigation statute does not affect current wetland mitigation sequencing under state or federal law, and thus, delete all provisions related to the other mitigation regulations. It is unclear whether the two

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bills will merge eventually, or get their own companions in the respective chambers. We have it tagged and will monitor. The effective date is July 1, 2019.

Senate Committee References: Community Affairs; Appropriations Subcommittee on Agriculture, Environment and General Government; and Appropriations.

House Committee References: Agriculture & Natural Resources Subcommittee; Agriculture & Natural Resources Appropriations Subcommittee; and State Affairs Committee.

UPDATE: Senate bill passed Community Affairs on March 5. Now awaits hearing in Senate Appropriations Subcommittee on Agriculture, Environment and General Government.

House bill is on Agriculture and Natural Resources Subcommittee agenda March 12.

Renewable Energy on Commercial Buildings – SB 222 (Rodriguez) would exempt from the definition of “public utility” property owners who own and operate a renewable energy source device with a capacity of up to 2.5 megawatts, produce renewable energy from that device, and provide or sell the renewable energy to users on that property. This bill, if passed, would allow large scale commercial buildings to produce and sell renewable energy. The effective date is July 1, 2019.

Senate Committee References: Innovation, Industry, and Technology; Infrastructure and Security; Community Affairs; and Rules

House Committee References: No House bill filed yet.

UPDATE: No movement yet.

Promote Fair Taxation

Business Rent Tax Reduction – SB 618 (Perry) would exempt from sales tax the first \$10,000 of total rent in year 2020, the first \$20,000 in year 2021, and continues up to \$90,000 in 2028. This is the same “stair step” approach that Senator Perry has proposed in previous sessions.

Senate Committee References: Commerce and Tourism; Finance and Tax; Appropriations

General Taxation – SB 1112 (Gruters) would, among other reductions, cut the business rent tax from 5.7 to 4.2.

Senate References: Commerce and Tourism; Finance and Tax and Appropriations

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UPDATE: On Commerce & Tourism Agenda for March 11.

Sales Tax on Commercial Property Rentals – SB 1642 (Gainer) – would cut the business rent tax from 5.7 to 5.5.

Senate References: Commerce & Tourism; Finance & Tax; and Appropriations

Intentionally Collaborative Growth Management

Affordable Housing Trust Fund – SB 70 (Mayfield) – The bill would exempt the State Housing Trust Fund and the Local Government Housing Trust Fund from a provision authorizing the Legislature, in the General Appropriations Act, to transfer unappropriated cash balances from specified trust funds to the Budget Stabilization Fund and the General Revenue Fund, etc. If passed, there would no longer be trust fund “sweeps” of the Sadowski Fund. The effective date July 1, 2019.

Senate Committee References: Community Affairs; Infrastructure & Security; Appropriations Subcommittee on Transportation, Tourism and Economic Development; and Appropriations.

House Committee References: No House bill filed yet.

UPDATE: No movement yet.

Impact Fees on Affordable Housing – SB 350 (Hutson) and HB 1155 (Plasencia) would prohibit local governments from charging impact fees on affordable housing projects. The effective date is July 1, 2019. No committee references yet.

Senate References: Community Affairs, Infrastructure and Security; and Appropriations.

House References: Local, Federal & Veterans Affairs Subcommittee; Transportation & Tourism Appropriations Subcommittee and State Affairs Committee.

UPDATE: Senate Community Affairs passed bill on Tuesday, March 5.

Property Rights Inserted into Growth Management – HB 291 (McClain) and SB 428 (Perry) would require a comprehensive plan to include property rights element; provide statement of rights that local government may use; require local government to adopt property rights element by July 1, 2020; and provide that local government's property rights element may not conflict with statutorily provided statement rights. Essentially, this bill, if passed, would make clear that a property owner's rights to develop his/her/its property must be honored by a local government. The effective date is July 1, 2019.

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Senate Committee References: Community Affairs, Judiciary and Rules.

House Committee References: Local, Federal & Veterans Affairs Subcommittee; Commerce Committee; and State Affairs Committee.

UPDATE: House bill is waiting on second committee stop. Senate bill has not moved yet.

Statewide Environmental Resource Permitting Rules – SB 1344 (Cruz) and HB 1343 (Good) would clarify the duty of the Department of Environmental Protection to adopt, in coordination with the water management districts, specified statewide environmental resource permitting rules; directs the water management districts, with department oversight, to adopt rules for specified design and performance standards relating to new development and redevelopment projects, etc. The effective date is July 1, 2019.

Senate References: Environmental and Natural Resources; Appropriations Subcommittee on Agriculture, Environment, and General Government; and Appropriations

House References: Agriculture & Natural Resources Subcommittee; Agriculture & Natural Resources Appropriations Subcommittee; and State Affairs Committee

Promote Economic Prosperity

Renewing Visit Florida – SB 178 (Gruters) and HB 6031 (Ponder) would remove the scheduled sunset of Visit Florida’s enabling statute and make it a permanent state agency. The effective date is July 1, 2019.

Senate Committee References: Commerce and Tourism; Appropriations Subcommittee on Transportation, Tourism, and Economic Development; Appropriations

House Committee References: Workforce Development & Tourism Subcommittee; Transportation & Tourism Appropriations Subcommittee; and Commerce Committee

UPDATE: Senate awaits Appropriations. House bill has yet to move.

Summary of Week One (March 4-8)

Pot Change Expedited

A repeal of the state’s ban on smoking medical marijuana could be one of the first pieces of legislation sent to Governor DeSantis’ desk.

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That's no coincidence. DeSantis, during his first few weeks in office, told the Legislature that he wanted a bill dropping the smoking ban by March 15. Otherwise, he'd discontinue an appeal to a lower-court ruling that found the ban unconstitutional.

The Florida Senate, meeting as a chamber for just the second time this year, overwhelmingly approved its version of the repeal. It would allow patients to obtain a 35-day supply of the medicine, but no more than 2.5 ounces of marijuana per prescription, with some exceptions. It also would allow only minors with terminal conditions to smoke the plant.

The change is sponsored by state Sen. Jeff Brandes. It now is in the House's hands, and state Representative Ray Rodrigues, who worked with Brandes on the measure, expects Brandes' Senate version to pass there the second week of Session.

Hurricane Michael

The catastrophic storm that swept through Northwest Florida October 10 is expected to result in more constraints on the spending plan lawmakers craft this year. Though relief is expected from the federal government, state lawmakers are looking to do their own part and provide cash to the rural governments that were hit by the storm.

It's estimated the state already has provided \$1.2 billion to pay for debris and other cleanup efforts, one of the most daunting challenges presented by the near-Category 5 cyclone.

Senators unveiled a \$315 million proposal this week that would make loans to affected governments. It would set up a Public Facilities Hurricane Restoration Cash Flow Loan Program inside the Department of Economic Opportunity to administer the loans. The other \$15 million would be set aside for loans to the timber industry, which suffered an estimated \$1.3 billion impact.

Sizing Up Your Wine

Nebuchadnezzar may come to Florida later this year — the wine bottle size, not the king of ancient Babylon.

Current law generally makes it illegal to sell wine “in an individual container holding more than 1 gallon.” A typical bottle is 750 milliliters, roughly a fifth of a gallon. A bill (HB 6037) by state Rep. Danny Perez, would repeal the bottle-size law. It unanimously cleared the House Business and Professions Subcommittee on Wednesday, and must next get by the Commerce Committee before being available for the floor.

If passed, wine bottles of all sizes would be allowed effective July 1, including the “Nebuchadnezzar,” which holds 15 liters — the volume of 20 standard wine bottles.

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An identical Senate bill (SB 894) filed by Lakeland Republican Kelli Stargel has not yet been heard.

K-12 Education Changes Coming

Much-watched legislation that would make a series of changes to K-12 education this week picked up support from the Senate Education Committee.

Senate Bill 7070 would create the Family Empowerment Scholarship. The new proposal would use revenue dollars to eliminate the wait list for the Florida Tax Credit Scholarship, which funds vouchers for low-income students who wish to attend private schools.

The bill, among other things, also would restructure the way Florida public school teachers receive bonuses. These changes are backed by DeSantis.

Minimizing Mandatory Minimums

Criminal justice reforms are moving through both the Legislature. A bill in the Senate known as the “Florida First Step Act” passed its first committee this week. Notably, the measure would allow judges to downward depart from mandatory minimums when sentencing non-violent drug traffickers.

It would also lessen penalties for some violations of probation and would create programs to help returning citizens. The package is aimed at decreasing prison populations. In the House, a bill that would raise the felony-theft threshold to \$1,000 or more picked up support from a key committee. It also is aimed at decreasing prison spending.

Droning On

The House is ready to vote on a bill that would allow law enforcement to use drones to survey traffic accidents, to collect evidence at a crime scene, and to assist in crowd control.

The bill is sponsored by state Rep. Clay Yarborough, who has in the past championed expanding drone use in the state. Some Fourth Amendment privacy concerns have been raised over the legislation, and the Senate version of the bill still has two committee stops to go.

Appropriation Project Bills Update

As of Friday, one thousand six hundred twenty-nine (1629) House appropriations project bills have been filed, totaling \$3,694,901,075 in funds requested. Of those, 179 bills have met the minimum requirements (favorable report in subcommittee) for inclusion in the House's proposed Budget.

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In the Senate, one thousand two hundred forty-two (1242) projects have been filed.

Preview of Session Week Two (March 11-15)

The Senate is not scheduled to hold a floor session in Week 2, but the House, for now, is slated to convene at 3 p.m. on Wednesday and 9 a.m. on Thursday.

The House will consider the Senate's repeal of the medical marijuana smoking ban on Wednesday — two days before DeSantis' deadline. It's unclear whether members will cast a final vote during that session or on Thursday.

The House budget committee will meet at 4 p.m. on Monday in room 212 of the Knott Building and the Senate budget panel will meet at 10 a.m. on Thursday in room 412.

The Senate committee schedule for Week 2 can be found here:

http://www.flsenate.gov/Session/Calendar/2019/Weekly_Schedules_2019-02-20_172753.PDF

The House committee schedule for Week 2 can be found here:

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Session&CommitteeId=&Session=2019&DocumentType=Session%20Weekly%20Schedules&FileName=Session%20Weekly%20Schedule%20for%20Week%202%20March%2011%20-%2015,%202019%20-%202nd%20Amended.pdf>