



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 123-2013

LETTER TO COMMISSION

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: April 12, 2013

SUBJECT: **Legislative Update**

The purpose of this LTC is to provide the Mayor and City Commission with the attached update on week six of the Florida Legislative Session.

The Administration will continue working with the City's representatives in support of the legislative agenda, and will provide weekly updates via LTC during the Session. In the meantime, if you have any questions please do not hesitate to contact me.

JLM/KGB/ko

Attachment:

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2013 APR 15 AM 9:50
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MEMORANDUM

To: Kevin Crowder
Via electronic mail

From: Gary Rutledge
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Date: April 11, 2013

RE: **2013 Legislative Report, Week 6**

Budget Issues

SHIP

SB 1852 and HB 7111 are the two vehicles moving through their respective chambers that will allocate the money provided by the National Mortgage Settlement. At present, the House bill contains no money for the SHIP program and \$50 million for the SAIL program. The Senate bill contains \$70 million for the SHIP program and \$65 million for the SAIL program. These bills will likely be resolved during budget conferences.

Legislative Priorities

Elections

SB 600 passed the Senate Rules Committee this week amid opposition from Democrats, who said in committee that the bill gives too much discretion to elections supervisors and urban counties could technically choose to have only eight days of early voting, which could lead to continued election problems. Senator Latvala responded to this criticism by saying he did not believe this would happen. Senate Democrats have also argued that the Sunday before Election Day should be a mandatory early voting day. The bill currently allows voting on the Sunday before Election Day but does not require it. The companion, HB 7113, has passed the House and is in Senate messages. This bill also allows the Sunday before Election Day but it is not required. Both of the bills also allow for up to 14 days of early voting and allow more early voting sites.

Pension Reform

SB 458 by Senator Ring and HB 1399 by Representative Rooney provide some flexibility in how insurance premium taxes are used to pay for pension benefits. However, the process is very complicated. Also, the bill now locks in police and fire pensions at 1999 benefit levels. The League of Cities is strongly opposed to this bill. SB 458 passed the Senate this week after several amendments. HB 1399 was on the House Appropriations agenda this week but was not considered.

SB 534 by Senator Brandes and HB 599 by Representative Caldwell provide that the state is not liable for shortfalls in local government retirement pensions and plans. They require defined benefit systems or plans to report certain information to the Department of Management Services and specify the assumptions and methods that are to be used to determine the information submitted. The bills are designed to eliminate discrepancies between the assumed rates of return for earnings and the actual return on investments, and to mandate conservative projections on future liabilities. However, both the League of Cities and the unions oppose these bills. SB 534 passed the Senate this week after several amendments. HB 599 has passed its first committee and has two committees remaining.

Parking Meters

Department of Transportation (DOT) Secretary Ananth Prasad has indicated the DOT will seek a study in lieu of other substantive provisions in the Transportation bill, SB 1132 by Senator Brandes, and HB 7127 by the House Transportation and Highway Safety Subcommittee and Representative Artiles. HB 7127 was amended with the language this week. The language does not yet appear in SB 1132. The study will detail how much money is collected through parking meters in Florida, where they are located, and for what purposes the money is currently used. The study will be used as the basis for legislation next year.

Windstorm Insurance

SB 1770 received its second reading on the Senate floor this week and awaits a vote of the full Senate. This bill is designed to return Citizens to its role as an insurer of last resort for homeowners who cannot get coverage on the private market. The bill would ensure that Citizens' rates are actuarially sound and not competitive with private insurers. Simmons said that all Florida citizens, even those who are not Citizens customers, could end up paying a "hurricane tax" if Citizens runs deficits while paying claims after a major hurricane.

However, Citizens released information this week indicated that homeowners could expect to see rates rise as much as 60 to 70 percent, particularly in South Florida. HB 835 was initially the companion, but SB 1770 does not have a clear companion at this point and there are several pieces of legislation relating to Citizens on the House side. HB 835 does not contain several provisions now found in SB 1770, such as the application of bad faith law to Citizens claims, an allowance for homeowners to purchase partial sinkhole coverage, and a provision allowing companies to receive Citizens' surplus money as loans as an incentive to take over its policies.

While some legislators want to take the approach that Senator Simmons is suggesting, other legislators, particularly those from Miami-Dade County, are concerned that changes to Citizens should not impact its residents negatively and rates should not be raised dramatically. Although the Governor has long been a proponent of making Citizens more actuarially sound, the Governor's Office has also recently expressed concerns about such dramatic rate increases.

Other Legislative Issues

Living Wage

HB 655 by Representative Precourt; SB 726 by Senator Simmons

HB 655 preempts local governments from requiring employers to provide certain benefits. It provides specifically that living wage ordinances will sunset in 2016. This bill is in Senate messages.

SB 726 contains a preemption relating to leave benefits but does not preempt living wage ordinances. The Senate bill initially contained additional provisions in state law that would provide certain leave benefits to employees statewide. However, it has been amended to replace those additional benefits with a study group that would examine the issue and make recommendations to the Legislature. This was done at Senator Latvala's request. SB 726 passed its final committee this week but a committee reference to Senate Appropriations was added so the bill is now in this committee. The Senate does appear inclined to address the living wage issue and we are working to ensure that the Senate keeps the issue out of its bill.

Development Permits

HB 7019 by the House Economic Development and Tourism Subcommittee and Representative Trujillo; SB 1840 by the Senate Military and Veterans Affairs, Space, and Domestic Security. These bills require local governments to require developers to receive all other permits prior to granting a development permit in a mapped flood hazard area. DEM has asserted that the bills are necessary to correct a glitch that was created by last year's environmental regulatory reform bill, HB 503 by Representative Jimmy Patronis. However, City staff commented that this year's bills put the burden on the local government as drafted, when the burden should be on the permit applicant. We have made this concern known to House and Senate staff and the Department of Emergency Management (DEM). We worked with DEM and House and Senate staff on an amendment to correct the problem. The amendment was adopted onto both bills this week and they no longer contain any problematic language. SB 1840 passed its first committee this week and has one committee remaining. HB 7019 passed its only committee this week.

Local Preference

HB 307 by Representative Tobia; SB 684 by Senator Hays

Compare HB 1017 by Representative Fresen

HB 307 and SB 684 preempt local governments from providing local preference in contracting. SB 684 was temporarily postponed in its second committee this week and still needs to pass three committees. HB 307 passed its first committee and is not in the Local and Federal Affairs Committee. It also still needs to pass three committees. HB 1017 provides for a state-level preference for in-state companies. It does not have a companion.