



MEMORANDUM

DATE: March 12, 2018

TO: Florida Port Directors

FROM: Michael Rubin, Vice President Governmental Affairs

SUBJECT: **LEGISLATIVE UPDATE – END OF SESSION REPORT**

The Legislature extended until Sunday afternoon to finish the 2018 Budget and Tax Package. This year saw another historic low of bills passing both chambers of the Florida Legislature. Out of the 3,250 filed by members or committees, only 200 bills were passed.

We are pleased to report that the Florida Legislature has again fully funded our seaport budget items. This two-year term of the Florida Legislature has not included many substantive transportation related issues, but the Legislature has fully funded our seaport budget items during this timeframe.

We provide the following report on seaport-related issues that either passed or failed to pass during Regular Session 2018:

Legislation Passed by the Florida Legislature

1. **Fiscal Year 2018/19 Budget (HB 5001)**. Once again, health care related discussions delayed the final passage of the budget, and the final negotiations involved millions of dollars of “supplemental” member projects added by House and Senate leadership. The budget contains the \$171.6 million for seaport investment projects recommended by the Governor. The specific line items and proviso language on seaport related items include:
 - A. **Line Item 1860** -- \$15 million for debt reserve payments (FPFC 1996 Bond Refinance)
 - B. **Line Item 1861** -- \$10 million for debt reserve payments (FPFC 1999 Bond Refinance)
 - C. **Line Item 1862** -- \$132,525,084 for the FSTED Program, SIS, GM, SPII and other **FDOT allocations** in FDOT 5-Year Work Program.
 - D. **Line Item 1863** -- \$12,255,813 for the Seaport Investment Program/Bond debt reserve payments.
 - E. **Line Item 1865** -- \$70, 825,643 for the **FDOT Intermodal Development/Grants Program**. This may include some seaport projects.

The final conference budget included a variety of local member transportation projects, including \$2 million to fund one member seaport project – “Port of Fernandina Multipurpose Dock Crane and Warehouse.”

The final budget conference also included the following proviso language from DEO’s Employment Security Trust Fund – “\$300,000 is provided to the Department of Economic Opportunity to competitively procure for the development of heat exhaustion break pods to be placed at strategic locations in each of Florida’s ports to provide for the health and welfare of port workforce. Each pod shall be approximately 10’x10’ and must include misting fans, seating, water dispensing units, and otherwise comply with Occupational Safety and Health Act standards.”

There was no other proviso or implementing bill language included that impacted the FSTED Program or seaport projects in the final budget.

2. **Taxation (HB 7087 by House Committee on Ways and Means)**. This legislation includes the Florida Legislature’s 2018 “tax relief package.” The legislation includes a variety of tax reform/relief proposals, including the following:
 - A. **Disaster preparedness sales tax holiday**. Creates a seven-day “disaster preparedness” sales tax holiday from June 1 to June 7, 2018, for disaster preparedness supplies. Tax-free items include: flashlights and lanterns costing \$20 or less; radios and tarps costing \$50 or less; coolers costing \$30 or less; and, generators costing \$750 or less.
 - B. **Back to school sales tax holiday**. Creates a three-day “back-to-school” sales tax holiday from August 3 to August 5, 2018, for clothing, footwear, and backpacks costing \$60 or less, and school supplies costing less than \$15.
 - C. **Tax exemptions for hurricane response and recovery purchases**. Provides tax exemptions for several agriculture, nursing home, residential property, and emergency loan issues.
 - D. **Reduces the business rent tax**. In 2017, the Legislature lowered the six percent tax on the total rent or license fee charged for renting any real property from 6 percent to 5.8 percent. This legislation further reduces the business rent tax from 5.8 percent to 5.5 percent beginning January 1, 2019.
3. **Coral Reefs (HB 53 by Representative Jacobs and SB 232 by Senator Book)**. This legislation establishes the Southeast Florida Coral Reef Ecosystem Conservation Area. The conservation area consists of the sovereign submerged lands and state waters offshore of Broward, Martin, Miami-Dade and Palm Beach counties from the St. Lucie Inlet to the northern boundary of the Biscayne National Park. The legislation merely establishes the area, and does not contain any additional requirements or regulations with respect to the design.

Legislation NOT Passed by the Florida Legislature

The 2018 Florida Legislature beat last year’s record of lowest number of bills (249) in the last two decades by only passing a total of 200 bills. Priority issues that failed to pass this Legislature included a new gambling compact with the Seminole Tribe, sexual harassment legislation, and workers

compensation reform. Additional legislation we were following this year that also failed to pass included:

1. **County and Municipal Public Officers and Employees (CS/CS/CS/HB 815 by Representative Avila and CS/CS/SB 1180 by Senator Steube)**. This legislation would have required county or municipal public officers to obtain approval from their respective boards to travel out of state or on foreign travel.

This legislation was amended substantially in both the House and Senate, and ultimately failed to pass out of the Senate.

2. **Local Government Ethics Reform (HB 7003 by Public Integrity and Ethics Committee)**. The House again introduced its local government ethics reform legislation. This bill is identical to legislation passed by the House over the past several years. The bill would require lobbyists to register with the Commission on Ethics before lobbying certain local government entities. Special districts would not be required to create and maintain their own lobbyist registration system, but would be required to “ascertain whether a lobbyist has registered pursuant to” the legislation. The legislation also would require elected special district governing board members to annually complete four hours of ethics training.

There was no Senate companion filed for this legislation, and the bill died in the Senate without a hearing.

3. **Public Financing of Construction Projects (SB 542 by Senator J. Rodriguez)**. This legislation would have prohibited state-financed contractors from commencing construction of certain structures in coastal areas without first conducting a sea level impact projection study and having such study published and approved by the Department of Environmental Protection (DEP). The bill would require the DEP to develop rules for the standards of conducting a sea level impact project study – to include 50-year sea level rise, storm damage and flooding risks.

There was no House companion filed for this legislation, and the bill died in the Senate without a hearing.

As always, we appreciate the effort you, your staff, and your individual lobbyists take with respect to communicating with “one-voice” on seaport related issues. These efforts continue to have a significant impact on our success each legislative session. Please call or email us if you have any questions.

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