

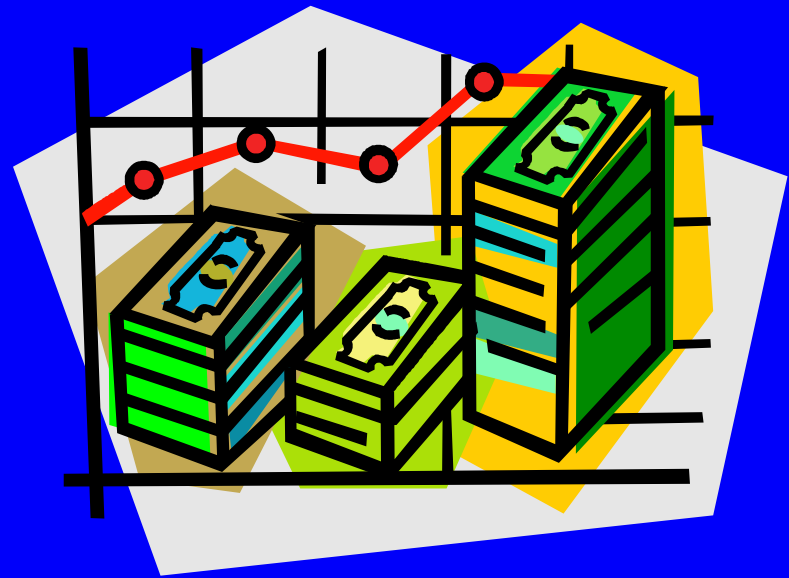


2010 Legislative Preview

Key Issues of Interest

IT'S THE ECONOMY (AGAIN)

- ◆ \$2.6 Billion budget shortfall.
- ◆ Slight improvement in state revenues will be eaten up by increases in Medicaid and expenses.
- ◆ General Revenue collections down to 1993-94 levels!



Economic Stimulus, Cost-Cutting and Cost Shifting



- ◆ State Agencies undergoing budget cutting exercises.
- ◆ Much will be done under the banner of “stimulating the economy”
- ◆ Beware of cost-shifting!

Economic Stimulus?

- ◆ Eliminate Duplicative Permitting Requirements
 - ◆ Example: Jobs For Florida bill would prohibit local governments from duplicating state environmental permits and provide additional extension for all local and state permits
- ◆ Streamline Development processes – bills provide expedited review of permits and comprehensive plan amendments for specified projects.
- ◆ Tax Breaks – sales tax holidays for school and hurricane supplies; corporate income taxes

Beware of Cost-Shifting

- ◆ As agencies look for cuts, cities must watch for cost-shifting and added fees
- ◆ Administrative Fees on Local Revenue Sharing
- ◆ A “Trash Tax” – an additional per ton fee on solid waste disposed at landfills
- ◆ Fees for processing comprehensive plan amendments

Preview of Selected Issues

- ◆ TABOR
- ◆ Issue Campaign Restrictions
- ◆ Pension Reform
- ◆ Oil Drilling
- ◆ Housing
- ◆ Public Notices
- ◆ Red Light Cameras
- ◆ Sovereign Immunity
- ◆ Property Taxes
- ◆ Water Management District Governance
- ◆ Public Employee Health Insurance
- ◆ Budget Transparency

TABOR SJR 2420 (Haridopoulos)

- ◆ Proposes a state constitutional amendment to limit state and local government revenues
 - ◆ Establishes cap at 2010-2010 base year
 - ◆ Annual growth multiplier of CPI + population change
 - ◆ Property taxes capped at prior year plus CPI + population change

TABOR SJR 2420 (Haridopoulos)

- ◆ Excess revenues transferred to budget stabilization fund (withdrawals only per legislatively determined criteria)
- ◆ Legislature authorized to adjust the cap to reflect fiscal impact of unfunded mandates
- ◆ Would require voter approval of new taxes and fees (including multiple-year debt)
 - ◆ 2/3 vote of the electors required

TABOR SJR 2420 (Haridopolos)

- ◆ The Florida League of Cities opposes this bill:
 - ◆ Statewide cap unnecessarily interferes with local self-determination
 - ◆ City residents already have the power to impose caps and other restrictions
 - ◆ Direct democracy (voter approval of fee or tax increases) is unstable
 - ◆ No assurance unfunded mandates will be addressed
 - ◆ 2010-2011 base year will lock our cities into a recession
 - ◆ Use of CPI for growth index is inappropriate for governments

Pension Reform

- ◆ SB 1902 (Bennett) is the League's Legislative Priority for achieving comprehensive pension reform.
- ◆ For public pension plans it includes:
 - ◆ Requiring actuarial projections of 5-year costs of pension plans and requiring studies to review the accuracy of plan assumptions
 - ◆ Limiting benefits payable to a member of a pension plan who has not attained 10 years of service by a certain date
 - ◆ Requiring detailed accounting of pension boards of trustees' expenses
 - ◆ Requiring budget oversight of pension boards

Pension Reform SB 1902 Cont'd

- ◆ For firefighter and police officer pension plans (Ch. 175 & 185 plans):
 - ◆ Requires majority of pension board of trustees not to be pension plan members
 - ◆ Requires use of insurance premium tax revenue to fund extra benefits, and redefining “extra benefits” to mean any benefit that is greater than benefits provided to general employees
 - ◆ Allowing jurisdictions to meet the minimum benefits requirement by providing benefits that in the aggregate exceed the minimums
 - ◆ Allowing jurisdictions to establish “tiered plans” or join FRS without jeopardizing insurance premium tax revenue
 - ◆ Allow the use of insurance premium tax revenue to fund a defined contribution or another type of pension plan

Pension Reform

- ◆ Numerous bills have been filed relating to the Florida Retirement System (“FRS”) that may have an impact on city operations. Bills filed for 2010 include:
 - ◆ SB 162 (Baker) provides that certain members of the Special Risk Class who retired under the disability retirement provisions of the FRS may be reemployed and continue to receive their disability retirement benefits.
 - ◆ SB 612 (Baker) and HB 249 (Snyder) prohibit certain members of the Special Risk Class from being reemployed or contracting with the same employing agency from which the member retired, and extend the period of time during which certain Special Risk Class members may participate in the FRS Deferred Retirement Option Program (DROP) to a total of 96 months.
 - ◆ SB 660 (Fasano) and HB 413 (Wood) require all public employees employed on or after January 1, 2011 and who are members of the FRS to enroll in the defined contribution program, rather than the defined benefit program.

Issue Campaign Restrictions

- ◆ SB 1928 (Bennett) and HB 1207 (McKeel) clarify a law passed last year (SB 216) that prohibits a local government from spending funds to advocate on any issue, referendum, or amendment going to a public vote. The League supports these bills. The bills:
 - ◆ Clarify that use of “public funds” means to make a specific appropriation or designated expenditure to fund an advocacy position
 - ◆ Remove references to “electioneering communications”
 - ◆ Clarify that any local government official – not just elected officials – may express an opinion at any time.

Offshore Oil Drilling

- ◆ Speaker-Designate Cannon plans to reintroduce legislation
 - ◆ Will likely require rigs to be 5 miles out and application fees could be around \$5M. No bill yet filed.
 - ◆ Senate will likely not engage this year.
- ◆ HB 563 (McKeel) and SB 1726 (Oelrich) urge Congress to repeal moratoria on drilling in federal waters.

Housing

- ◆ Trust Fund Cap: HB 95 (Saunders), HB 665 (Aubuchon), SB 1250 (Smith) and SB 1432 (Wilson) propose to remove the cap on the State House Trust Fund. Some require that additional funds be paid retroactively; others limit spending to rehabilitation or construction of new homes.
- ◆ Foreclosures: HB 415 (Brise), SB 606 (Gelber), SB 780 (Lynn), SB 1146 (Constantine), SB 1272 (Ring), and SB 1778 (Aronberg) would impose additional responsibilities on landlords and lenders during the foreclosure process. These bills have various requirements, including that a lender must pay all fees associated with a property once a foreclosure action is initiated.

Public Notices

- ◆ SB 376 (Dean) authorizes government entities to use publicly accessible websites to provide legal notice, and specifies numerous government functions and activities where notices may be given via the government's publicly accessible website.

Red Light Cameras

- ◆ CS/HB 325 (Reagan), SB 294 (Bennett) and SB 2166 (Altman) authorize local governments to use cameras at intersections to enforce traffic laws relating to the running of red lights.
 - ◆ The bills require local government to conduct public education campaign prior to use
 - ◆ HB 325 and SB 294 fine amount is \$150 (\$75 local/\$55 state/\$20 hospitals)
 - ◆ SB 2166 fine amount is \$158 (locals get \$45 if state road and \$80 if local road)
 - ◆ Limited grandfathering of existing camera use
 - ◆ FDOT to develop standards
- ◆ HB 1235 (Schenk) prohibits the use of cameras and preempts their use to the state.

Sovereign Immunity

- ◆ SB 2060 (Bennett) and HB 1107 (Nehr) provide that a subdivision of the state (city) may pay a judgment in excess of the statutory limits on the waiver of sovereign immunity without an act of the Legislature if it so chooses.
 - ◆ Payment in excess of the statutory limits does not waive the subdivision's defense of sovereign immunity or increase the limits of its liability.
 - ◆ Effective July 1, 2011 the waiver limit is increased to \$250,000 per claim or judgment by any one person, and effective July 1, 2012 this amount is automatically increased yearly based on the Consumer Price Index.
 - ◆ The current law waivers of sovereign immunity are \$100,000 for any individual claim or judgment and \$200,000 for all claims or judgments arising out of the same incident.
 - ◆ The bills remove entirely the maximum caps for claims arising from the same incident.

Property Taxes

- ◆ HB 27 (Flores), HB 39 (Llorente), and SB 718 (Fasano) propose constitutional amendment that would prohibit assessment increases for homestead property if just value of the property declines (“SOH Recapture”)
- ◆ HB 655 (Domino) and SB 1254 (Fasano) propose constitutional amendment to provide additional exemption for “new” homesteads and reduce existing cap on non-homestead property from 10% to 5%

Water Management District Governance

- ◆ SB 142 (Baker) and HB 659 (Van Zant) delete requirement adopted last year that requires a district governing board to delegate its authority to the Executive Director to take final actions on certain permits.
- ◆ HJR 493 (Domino) and SJR 1180 (Negrón) would require boards with ad valorem taxing power, including WMDS, to be elected

Public Employee Health Insurance

- ◆ SB 1710 (Fasano) and HB 1025 (Workman) amend current law that requires governments to provide subsidized health insurance to retirees:
 - ◆ Provide for market determination of premium cost of health insurance for retirees.
 - ◆ Require the cost of continued participation to be paid by the retiree.
 - ◆ Employers may segregate claims experience of the retiree group from the claims experience of active employees and set rates accordingly.

Budget Transparency

- ◆ CS/SB 690 (Dean) makes numerous changes to the budget process and other laws governmental entities. The bill:
 - ◆ Revises provisions relating to the preparation or amendment of city budgets, specifies the level of detail for each fund in the budget, and requires budgets to be posted on the website of the city (if the city does not have a website, the budget is to be posted on the county's website).
 - ◆ Revises the schedule for submitting a local governmental entity's audit and annual financial reports to the Department of Financial Services.
 - ◆ Revises the timeframe for completing a local governmental entity's annual financial audit to be filed with the Auditor General.

Stay Alert! Stay Involved!

- ◆ Weekly Legislative Bulletins
- ◆ Monday "Call-ins" @ 9:30 a.m.
- ◆ Act on Legislative Alerts
- ◆ Issue Briefs on Key Bills





**THANK YOU! FOR MORE INFORMATION PLEASE
CONTACT THE FLORIDA LEAGUE OF CITIES**

[HTTP://WWW.FLCITIES.COM](http://www.flcities.com)

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