

MEMORANDUM

TO: NAIOP
FROM: GrayRobinson
DATE: November 17, 2019
SUBJECT: 2020 Legislative Session – Committee Week 5 (November 12-14)

It was a short one because of Veterans Day, but last week was the second-to-last legislative committee week before the Big Show begins on January 14. It's still hard to discern a theme that may define the 2020 Legislative Session, but on Thursday Governor Ron DeSantis came out with his plan to replace the "Best and Brightest" bonus program to reward teachers and principals with tier-based systems. He's now calling for \$300 million to fund the proposed new Florida Classroom Teacher and Florida School Principal Bonus programs. Lawmakers on the education and general appropriations panels will no doubt be busy with teacher pay issues next year.

Also last week, Florida students with a group called "March for Our Lives" announced their gun control agenda in the Capitol alongside Democratic lawmakers. There's a "Peace Plan for a Safer Florida" to "change the culture of gun ownership" and reduce gun deaths in the state. The headlining legislation is Democratic state Representative Carlos Guillermo Smith's assault weapons ban (HB 627). We expect more demonstrations of this kind in the weeks ahead.

Activities and Bills related to NAIOP – Summary List

Key Issues for 2020 As Determined at the NAIOP Summit

- Enacting the FAST Act;
- Phasing out the Business Rent Tax;
- Removing the Witness Requirement for Commercial Leases;
- Maintaining a Commercial Building Representative on Florida Building Commission;
- Improving the State Fire Code; and
- Reining in Excessive Linkage Fees

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Mark Your Calendar – NAIOP Legislative Days will take place on Tuesday, January 21 through Wednesday, January 22.

Business Rent Tax – The Senate and House have both filed bills to enforce the internet sales tax (bills summarized below). The Senate bill is already moving. It is early, but both chambers are fully expected to propose a further reduction in the business rent tax.

FAST Act – House sponsor Scott Plakon still has the bill in drafting. We expect it to be released sometime in the next two weeks.

Lease Signatory Changes – Representative Duggan has filed the bill and it has its committee references. Senator Simmons has agreed to file the bill and it is in drafting.

Florida Building Commission – As of now, the House will follow the Senate’s lead and NOT remove the commercial real estate representative on the FBC.

Fire Code – We are following the lead of House Commerce Chair Mike La Rosa to get this finalized in one of his committee bills.

Linkage Fees – Chair La Rosa has also agreed to address linkage fees in a committee bill this session.

Detailed Activities and Bills related to NAIOPFL

The following are bills filed that impact (positively and/or negatively) the commercial real estate industry. **Highlighted text** means the bill was newly filed since the last memo publication.

Promoting Business Friendly CRE Regulations

Impact Fees – HB 637 (DiCeglie)

Key Take Away

If passed, would revise conditions that counties, municipalities, & special districts must satisfy before enacting an ordinance or passing resolution; provide that impact fee credits are assignable & transferrable under certain conditions; require certain counties & municipalities to establish impact fee review committees; provide for membership; provide procedures for meetings & establishing quorums; provides committee duties.

House Approval Milestones – Bill filed November 14. No committee references yet.

Senate Approval Milestones – No bill filed yet.

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Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Florida Building Code – SB 710 (Albritton)

Key Take Away

If passed, would require in the Florida Building Code that the entire envelope of certain buildings being constructed or rebuilt be impact resistant and constructed with high wind-resistant construction materials; require that all parts or systems of a building or structure envelope meet impact test criteria or be protected with an external protection device that meets such criteria; providing exceptions, etc.

House Approval Milestones – No house bill filed yet.

Senate Approval Milestones – Bill filed October 30. No Committee references yet.

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Real Estate Conveyances – HB 469 (Duggan)

Key Take Away

If passed, would provide that witnesses are not required to validate certain instruments conveying leasehold interests in real property.

House Approval Milestones – Bill filed October 28.

Civil Justice Subcommittee – Awaiting hearing

Business & Professions – N/A

Judiciary – N/A

Senate Approval Milestones – No companion filed yet.

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Home-Based Businesses – HB 537 (Donalds) and SB 778 (Perry)

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Key Take Away

If passed, would specify conditions under which a business is considered a home-based business; authorize a home-based business to operate in a residential zone under certain circumstances; preempt to the state the ability to regulate or license home-based businesses; prohibit a local government from certain actions relating to the licensure and regulation of home-based businesses, etc.

House Approval Milestones – Bill filed on November 5.
Business & Professions Subcommittee – awaiting hearing
Local, Federal & Veterans Affairs – N/A
Commerce – N/A

Senate Approval Milestones – Bill filed on November 5. No committee references yet.

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Uniform Commercial Real Estate Receivership Act – 2020 – SB 660 (Berman)

Key Take Away

If passed, would create chapter 714, F.S., as the Uniform Commercial Real Estate Receivership Act; specifying that a court has exclusive jurisdiction to direct receivers and determine controversies under certain circumstances; providing requirements and authorizations relating to the appointment of a receiver; providing for defenses and immunities of a receiver; authorizing the court to enter certain orders if the court concludes that receivership property is likely to be insufficient to satisfy certain claims; requiring a receiver to file a final report containing certain information upon completion of the receiver's duties, etc..

House Approval Milestones – No bill filed yet.

Senate Approval Milestones – Bill filed on October 24.
Judiciary Committee – Awaiting hearing
Commerce and Tourism – N/A
Rules – N/A

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

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Nonservice Animals – HB 243 (Antone)

Key Take Away

If passed, would prohibit nonservice animals from entering specified public food service establishments or places of business; require DBPR to create & maintain publicly accessible website for complaints; provides penalties.

House Approval Milestones – Bill filed on September 30.
Business & Professions Subcommittee – Awaiting Hearing
Government Operations & Technology Appropriations – N/A
Commerce – N/A

Senate Approval Milestones – No senate companion yet.

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Deregulation of Professions and Occupations – SB 474 (Albritton)

Key Take Away

If passed, would significantly revise the Florida Building Commission membership, however, it would not remove the commercial real estate representative. Additionally, this 77 page bill would, among other things, delete the requirement that a yacht broker maintain a separate license for each branch office; specify that the failure to repay certain student loans is not considered a failure to perform a statutory or legal obligation for which certain disciplinary action can be taken; revise licensure requirements for engineers who hold specified licenses in another state; provide that certain cosmetology services may be performed in a location other than a licensed salon under certain circumstances, etc.

House Approval Milestones – No house bill filed yet.

Senate Approval Milestones – Bill filed October 7.
Innovation, Industry and Technology – Awaiting hearing.
Commerce and Tourism – N/A
Appropriations – N/A

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

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Stormwater Management Systems – HB 405 (Good) and SB 686 (Gruters)

Key Take Away

If passed, would direct water management districts, with DEP oversight, to adopt rules for standards relating to new development & redevelopment projects specifically focusing on removal of nutrients from stormwater discharges; directs DEP to incorporate such rules for district use; directs DEP & districts to amend such rules into applicant's handbook; provides rebuttable presumption relating to water quality standards for certain systems; revises requirements for construction of certain systems; requires specified staff training; directs DEP & districts to initiate rulemaking..

House Approval Milestones – Bill filed on October 18.

Agriculture & Natural Resources – Awaiting hearing

Ag & Natural Resources Appropriations – N/A

State Affairs – N/A

Senate Approval Milestones – Bill filed October 28.

Environment and Natural Resources – Awaiting hearing

Appropriation Subcommittee on Agriculture, Environment and Gen Gov – N/A

Appropriations – N/A

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Promote Feasible Sustainability Initiatives
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Clean Energy Programs – HB 225 (Zika) and SB 824 (Hooper)

Key Take Away

If passed, would authorize property owner to apply to approved PACE administrator for loan; authorize local governments to enter into agreements with PACE administrators; provides requirements for PACE loan contracts; provides certain prohibitions; provides remedies.

House Approval Milestones – Bill filed on September 25.

Energy & Utilities – Awaiting Hearing

Ways & Means – N/A

State Affairs – N/A

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Senate Approval Milestones – Filed on November 7.

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Renewable Energy – SB 446 (Brandes)

Key Take Away

If passed, would authorize owners of commercial or industrial businesses, or third parties contracted by such owners, to install, maintain, and operate a renewable energy source device on or about the structure in which the business operates or on a property the business owns or leases; authorizes owners or contracted third parties to sell electricity generated from the device to certain businesses regardless of whether the device is located in a utility's service territory, etc.

House Approval Milestones – No house bill filed yet.

Senate Approval Milestones – Bill filed October 4.
Innovation, Industry and Technology – Awaiting Hearing.
Commerce and Tourism – N/A
Rules – N/A

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Promote Fair Taxation

Affordable Housing Tax Reduction – SB 856 (Pizzo)

Key Take Away

If passed, would provide a reduction in certain property taxes to taxpayers building or renovating certain affordable, elderly, or workforce housing projects; specify the calculation of property assessments over the reduction term; authorize certain counties to limit the total number of qualifying projects, subject to certain requirements; specify a taxpayer's liability for back taxes, penalties, interest, and certain remedies under certain circumstances, etc..

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House Approval Milestones – No bill filed yet.

Senate Approval Milestones – Bill filed on November 12. No committee references yet.

Weekly Roundup: N/A

Current Call to Action: No action needed at moment.

Internet Sales Tax Enforcement – SB 126 (Gruters) and HB 159 (Clemons)

Key Take Away

If passed, would revise definitions for “retail sale” and “mail order sale” to capture internet sales, and thus enforce the sales tax on internet sales.

House Approval Milestones – Bill filed on September 12.

Ways & Means Committee – Awaiting Hearing

Commerce – N/A

Appropriations – N/A

Senate Approval Milestones – Bill filed on August 14.

Commerce and Tourism – Passed unanimously on Wednesday, October 16.

Finance and Tax – Awaiting Hearing.

Appropriations – N/A

Weekly Roundup: N/A

Current Call to Action: No action needed at moment.

Collaborative Growth Management

Private Property Rights Protection – HB 519 (Grant)

Key Take Away

If passed, would revise notice of claim requirements for property owners; revises procedures for determination of compensation; create presumption that certain settlements of claims apply to all similarly situated residential properties within political subdivision under certain circumstances; authorize property owners to bring claims against governmental entities in certain circumstances; provide that property owners are

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not required to submit formal development applications or proceed through formal application processes to bring claims in specified circumstances; authorize property owners to bring actions to declare prohibited exactions invalid; requires DOT to afford right of first refusal to previous property owner before disposing of property in certain circumstances.

House Approval Milestones – Bill filed on November 4.
Civil Justice Subcommittee – awaiting hearing
Commerce – N/A
Judiciary – N/A

Senate Approval Milestones – No companion filed yet.

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Community Development Districts – HB 493 (Cortes)

Key Take Away

If passed, would authorize certain entities to petition court to dissolve community development district with outstanding financial obligations or operating or maintenance responsibilities; provides procedures to be used by court in appointing receivers; specify court authorities in issuing orders concerning duties of receiver. Effective Date: July 1, 2020.

House Approval Milestones – Bill filed on October 29.
Local, Federal & Veterans Affairs Subcommittee – Awaiting hearing
Civil Justice – N/A
State Affairs – N/A

Senate Approval Milestones – No companion filed yet.

Weekly Roundup: N/A.

Current Call to Action: No action needed at moment.

Affordable Housing Trust Fund – SB 306 (Mayfield) and HB 381 (Silvers)

Key Take Away

If passed, there would no longer be trust fund “sweeps” of the Sadowski Fund.

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House Approval Milestones – Filed on October 16.

Transportation & Tourism Appropriations Subcommittee – Awaiting hearing
State Affairs
Appropriations

Senate Approval Milestones – Bill Filed September 17.

Infrastructure and Security – Awaiting Hearing
Appropriations Subcommittee on Transportation, Tourism and Economic Dev: N/A
Appropriations – N/A

Weekly Roundup: N/A.

Current Call to Action: N/A

Development Order Attorney Fees – SB 250 (Berman) and HB 6019 (Casello) -

Key Take Away

If passed, would delete the entitlement for prevailing party to recover reasonable attorney fees and costs in challenge or defense of development order.

House Approval Milestones – Filed September 10.

Commerce – Awaiting hearing.
Judiciary – Awaiting hearing.
State Affairs – Awaiting hearing.

Senate Approval Milestones – Filed September 10.

Community Affairs Committee: Awaiting Hearing
Judiciary: N/A
Rules: N/A

Weekly Roundup: N/A.

Current Call to Action: N/A. Both bills are filed by Democrats and are an attack on the Republican-led legislation of 2019. It is unexpected this bill will move.

Property Rights Inserted into Growth Management – HB 203 (McClain) and SB 410 (Perry)

Key Take Away

Would make clear that a property owner's rights to develop his/her/its property must be honored by a local government.

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House Approval Milestones – Filed on September 19.
Local, Federal & Veterans Affairs – Passed 9-5.
Commerce – N/A
State Affairs – N/A

Senate Approval Milestones – Filed on October 1.
Community Affairs – Awaiting hearing.
Judiciary – N/A
Rules – N/A

Weekly Roundup: N/A.

Current Call to Action: N/A.

Hurdles: None yet. Although, it is worth noting that this same bill died in the House and Senate during 2019 session.

Promote Economic Prosperity

Job Growth Grant Fund Revisions – SB 130 (Hutson) and HB 71 (Santiago)

Key Take Away

Would authorize the Governor to approve workforce training grants to certain charter schools under the Florida Job Growth Grant Fund.

House Approval Milestones – Filed on August 20.

Transportation & Tourism Appropriations Subcommittee – Awaiting hearing
Education Committee – N/A
Appropriations – N/A

Senate Approval Milestones

Commerce and Tourism Committee: Passed 5-0 on October 15.
Education: Passed 8-0 on November 12
Appropriations Committee: Awaiting hearing.

Weekly Roundup: Senate bill passed Education Committee.

Current Call to Action: N/A.

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Florida Tourism Marketing – SB 362 (Hooper) and HB 213 (Ponder)

Key Take Away

Would revise the scheduled repeal of the Florida Tourism Industry Marketing Corporation direct-support organization (aka Visit Florida) to the year 2028.

House Approval Milestones – Filed on September 23.

Workforce Development & Tourism – Awaiting hearing

Transportation & Tourism Appropriations Subcommittee – N/A

Commerce Committee – N/A

Senate Approval Milestones – Filed on September 23

Commerce and Tourism Committee: Passed 5-0 on November 5.

Appropriations Subcommittee on Transportation, Tourism and Economic Dev: Awaiting hearing.

Appropriations Committee: N/A.

Weekly Roundup: Senate bill passed first committee.

Current Call to Action: N/A.

Summary of Committee Week Five (November 12-14)

The Florida House of Representatives

A proposal that died last Legislative Session has been revived for 2020. House members last week began moving a bill (HJR 301) that would do away with the Constitution Revision Commission (CRC). That body convenes every 20 years to consider changes to the state's governing document. But many lawmakers and others were concerned over what they called the 2017-18 CRC's unnecessary "bundling" of unrelated amendments.

Another House committee looked into the future, as a panel discussed potential downsides of automation and artificial intelligence. Academics and industry experts told legislators about how technology was shaping the future of work for good and for ill. Some estimated nearly half of all jobs could be lost to automation in the coming years.

Florida Senate

Naples Republican Senator Kathleen Passidomo won the race to be Senate President for the 2022-24 term, after current Senate President-designate Wilton Simpson. Passidomo was competing against St. Augustine Republican Travis Hutson to take over the leadership position.

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As far back as April 2018, Passidomo was considered the front-runner – even if only slightly. The tipping point in the race came recently, with Representative Ray Rodrigues and former Representative Jason Brodeur, both of whom are running for Senate seats in 2020, breaking her way.

A Senate Democrat has now come out in support of paying college athletes. Senator Randolph Bracy, who was a college athlete at William and Mary, filed a bill (SB 582) to allow football players and others to profit from endorsements, which they are forbidden to do now as amateurs. And Governor DeSantis, a former college baseball player, says he supports the effort. Most importantly, the National Collegiate Athletic Association's (NCAA) governing board recently OK'd college athletes being compensated in third-party sponsorship deals.

Bill of the Week

Bills have been filed for the 2020 Legislative Session that would make sure policyholders know their "loss-run" history. The House bill (HB 269) was filed by GOP Representative Daniel Perez of Miami, and a Senate companion (SB 292) is being carried by GOP Senator Doug Broxson of Pensacola. Both are being touted as pro-insurance consumer efforts.

Loss-run reports are generated by an insurer and show the claim activity on each insurance policy held by an insured entity. Policyholders already can ask for them; the legislation would enshrine the ability to get them in state law.

“Much like credit scores allow banks to determine whether you’re a good candidate for a bank loan or credit card, loss runs allow insurers to assess how risky your business will be to insure,” the Insureon website explains. The legislation would require companies to provide upon request, where available, a five-year "loss-run" history of claims on a commercial insurance policy. Generally, such reports show the name of the insured and the policy number, with the date of each claim and the amount paid, along with a brief description of the claim itself. The Florida Association of Insurance Agents supports the bill, which has bipartisan backing. The House bill has already cleared its first panel of reference, the Insurance & Banking Subcommittee. It’s also slated to be heard by the Government Operations & Technology Appropriations Subcommittee and the Commerce Committee. In the Senate, the bill has been OK’d by the Banking and Insurance Committee, and will later be considered by Commerce and Tourism, and finally by Rules.

Federal Spotlight

GrayRobinson's Washington, DC office releases a newsletter each week entitled The Golden Apple, reporting on the "latest discord on Capitol Hill." This week's newsletter discussed the Federal Reserve Board reporting high commercial debt levels, but low risk overall.

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The Federal Reserve Board published its annual Financial Stability Report today, and it's as boring as anyone could reasonably hope for. While asset prices in several markets remain high compared to income streams, and business borrowing is at historically high levels, household debt is relatively low; banks are strongly capitalized, and broker-dealers are better capitalized than ever; and the system's general vulnerability to runs is low. The Fed pointed to potential risks from Brexit, emerging markets, and "an unexpected and marked slowdown in U.S. economic growth," but "the baseline outlook remains favorable," as Chairman Jerome H. Powell told the Joint Economic Committee and House Budget Committee this week.

Looking Ahead

The final committee week begins December 9. Committees already slated to meet that afternoon include the House Commerce and Public Integrity & Ethics committees. Agendas will be issued soon.

Current Bill Statistics

Total Bills Filed: 1,671 (1194 House; 477 Senate)

Appropriations Bills Filed: 832

Preview of 2020 Legislative Session

Key Dates

The 2020 Legislative Session gavel-in on January 14, 2020. Below is the schedule of remaining committee week.

- December 9-13 – Interim Committee Week 6

Other Key Dates

- November 22, 5:00pm
 - Senate deadline for submitting bill drafts
- November 26, 5:00pm
 - House Early Member bill filing deadline – at least 2 of member's bills must be filed
- January 10, 5:00pm
 - Deadline for approval of final bill drafts
- January 14, 12:00pm
 - Deadline for filing bills for introduction