



LEE COUNTY

SOUTHWEST FLORIDA

**Capitol Update
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Hot Issues in the Capitol

Fertilizer Bill Dead! Commissioner Ray Judah and other officials from southwest Florida urged the Senate Committee on Environmental Preservation and Conservation to reject SB 604 by Sen. Dean, which would prohibit local bans on the application of fertilizer during certain periods of the year. The Committee defeated the bill on a close vote. Because of the diligence of Commissioner Judah and others, the bill is dead for the Session.

Budget

The House has passed out its budget and proposes to spend \$69 billion. The Senate budget bill is expected to be heard and passed in committee this week and on the floor next week. The houses take very different approaches on Medicaid and trust fund sweeps. So there will be conference committees to resolve the differences. There is time for them to resolve their differences prior to the scheduled end of Session.

Redistricting

The House and Senate have passed their bills redistricting both houses of the Legislature and the congressional seats. In accordance with Article III, Section 16 of the Florida Constitution, the Attorney General has petitioned the Florida Supreme Court to issue a declaratory judgment determining the validity of the apportionment of the Legislature. The Supreme Court has 30 days to rule on the matter. If the Court finds the legislature apportionment valid, the declaration is binding. If the Court finds the plans invalid, the Legislature must be recalled into session for not more than 15 days to develop a valid plan. The United States Department of Justice also has jurisdiction over the plans in the five counties subject to the voting rights act.

Mosquito Control

HB 1395 by Rep. Kreegel will transfer the responsibility of mosquito control from the special district to the County. The bill has not been heard in any committee this Session, nor is it on the agenda for a committee meeting this week. At this point, the bill will be very difficult to pass the Legislature.

Tangible Personal Property

As part of his budget, the Governor proposed a constitutional amendment to provide an additional exemption to the ad valorem tax for tangible personal

property ("TPP") whose value exceeds \$25,000 but it less than \$50,000. The current law exempts the first \$25,000 of TPP. The Governor's proposal also grants authority to the Legislature to provide additional exemptions by general law. HB 1005 by Rep. Eisnaugle and SB 1062 by Sen. Detert have been filed to accomplish those goals. As filed, the bills reduce county revenues \$8 million annually. FAC is proposing an alternative to giving the Legislature the power to grant additional exemptions: grant cities and counties the authority to give additional exemptions for TPP instead. Negotiations are on-going.

Spring Training

Michelle Dennard, Division Director of Strategic Business Development of the Department of Economic Opportunity ("DEO"), says she is continuing to work on plans to issue a call for applications for spring training grants. The DEO time frame has been set back, but she hopes to get the request for applications in the mail in the next 30 days. She indicated that Lee County is in a good position to secure a grant depending on whether it can get the application together and on who else applies.

Septic Tank Inspection Bills

Bills that will repeal the state regulation of septic tanks are moving through both houses. SB 820 by Sen. Dean and HB 999 by Rep. Dorworth are similar in the repeal and in the requirement that local governments that want to regulate

septic tanks do so in the manner provided in the bill.

Medicaid Billing

The Senate proposal to recoup backlog in county Medicaid billings has become stricter and more expensive for county governments. The Revenue Estimating Conference ("REC") estimates that the backlog amount is \$325 million. **The REC estimates the Lee County backlog at \$12.3 million.** The Senate proposal now requires counties to pay 85 percent of the backlog over a three year period through deductions from the half-cent revenue sharing program. The proposal also takes the future amounts and proposes deducting them from half-cent revenue sharing. Payment of debt pledging the half-cent sales tax revenue are held harmless. Negotiations are ongoing in the Senate about the amount, and the process.

County Health Department

Rep. Hudson proposes to revamp the Department of Health and require county governments to take total fiscal control of county health departments. The amendment to HB 1263 proposes to offer block grants to counties in an effort to allow counties to pay for the costs associated with such a move. The amendment transfers all the employees and makes them employees of the counties. This issue and the Medicaid billing issue will continue to be negotiated.

Communications Services Tax

Bills have been filed which will change the Communications Services Tax base by allowing for the exemption of data services and data products. The REC has not yet scored these bills, but we anticipate that the exemptions may be very expensive, meaning the bills are less likely to pass. We expect the REC to score the bills on Friday. HB 809 by Rep. Grant, SB 1060 by Sen. Bogdanoff.

Online Travel Company

The REC considered an amendment to the House online travel company ("OTC") bill on Friday. The amendment accomplishes on a single page the same goals as last session's 20 page bill: a state and local tax exemption of amounts paid by customers to online travel companies for transient rentals. The amendment provides for OTCs who are unrelated to the owners and operators of hotels are not subject to the tax. A representative of the Hilton hotel chain testified at the REC that if the Legislature adopts the amendment, it will change its business practices and become exempt through the road map offered in the amendment. The REC indicated that the amendment will have an indeterminate negative fiscal impact on the state, but has the potential impact of \$90 million annually on the state and \$122 million annually for county governments. This fiscal impact may mean the death of the bills: HB

1393 by Rep. Brodeur and SB 1888 by Sen. Gardiner.

Super-Homestead Dead

HB 1289 by Rep. Brodeur and SB 314 by Sen. Simmons provided a super-homestead exemption and other exemptions from ad valorem taxes. The proposed constitutional amendment reduces local revenue by \$560 million annually. Last week HB 1289 was defeated on a tie vote in House Community and Military Affairs. The bill is dead for the Session!

Growth Management

There was no movement on these issues last week.

For More Information: Call Sarah Bleakley at 850-508-5816 or email her at sbleakley@ngnlaw.com