

May 4, 2010

Legislative Recap By Kari Hebrank

Overall: The 2010 Regular Session came to a close just before 9 p.m. on April 30th with the passage of 301 bills. Issues that failed to reach final passage include affordable housing, Medicaid program revamping, PSC reform, teacher merit pay (vetoed), renewable energy portfolio standard and an elimination of the ban on off-shore oil drilling.

Budget: The Legislature debated and finally approved a \$70.4 billion budget in the final hours of the Session, with the hopes of another \$730 million from Congress through the Federal Medical Assistance Program (FMAP). The budget includes a \$1.22 increase for education, increased tuition for college students, and rate reductions for hospitals, nursing homes and hospices. The Legislature preserved KidCare, Medically-Needy and Medicaid and tucked \$1.4 billion into reserves. Trust fund sweeps totaled \$507 million, including \$160 million from the State Transportation Trust Fund and \$148.4 million from the Affordable Housing Trust Fund. The recently-approved gaming compact with the Seminole Tribe pumped another \$437 million into the state coffers.

Unemployment Compensation: The Legislature passed and the Governor signed legislation on the first day of Session that delays the increase in the unemployment compensation tax for two years and delays the increase in taxable wages from the current \$7000-\$8500. Additionally, SB 1736 by Sen. Garcia also passed which will bring Florida \$30 million in extended unemployment compensation benefits—covering 42,000 unemployed Floridians whose coverage is expiring.

Residential Fire Sprinklers: SB 846 by Sen. Bennett (HB 7095 by Rep. Schenck) prohibits incorporation of mandatory residential fire sprinkler provisions into the Florida Building Code and prevents local governments from imposing sprinkler requirements on residential resort rentals. SB 846 passed the Senate unanimously and the House by a vote of 111-3.

Building Code: FSPA's energy initiative passed in the omnibus building code bill, HB 663 by Rep. Aubuchon (SB 648 by Sen. Bennett). HB 663 passed the House on a 111-3 vote and the Senate unanimously. FSPA's provisions amend the temporary period that a pool pump motor's default circulation speed is allowed to be on high speed override from the current 120 minutes to a 24-hour standard; clarify the energy efficiency provisions that apply to commercial and residential swimming pool heaters, and residential pool pumps and pool pump motors; and, add "manufactured on or after July 1, 2011," rather than the current "sold after July 1, 2011" as to the effective date for the new efficiency standards.

Arbitration: FSPA successfully prevented an amendment that would have mandated an independent arbitrator for all industry arbitration programs from being added to any legislation this Session.

Lien Law: SB 1048 by Sen. Baker was supposed to streamline the lien law notification process on residential construction projects and although SB 1048 passed the Senate, the companion (HB by Rep. Plakon) was never heard in a House committee so the bill died in Messages.

Energy/Wind-Resistance: Legislation referred to as “PACE” --which stands for Property Assessment Clean Energy--authorizes local governments to finance energy efficiency, renewable energy or wind-resistance property improvements with non-ad valorem tax assessments and create energy improvement districts funded by non-ad valorem tax assessments or bonds. HB 7179 passed the House 114-0, was amended in the Senate to create the Energy, Technology & Economic Development Guaranty Fund and an Energy Economic Zone Pilot Program. HB 7179 passed the Senate by a 31-4 vote, and was sent back to the House for approval in the final minutes of the Session by a vote of 119-0.

Automatic Service Renewal: HB 751 by McBurney (SB 1332 by Justice) requires clear and conspicuous disclosure of automatic renewal provisions in service contracts if the provision renews the contract for longer than one month and if the provision extends the contract beyond 6 months from the date of the initial contract. FSPA had amended the bill to exempt Chapter 489 and also to provide a waiver for consumers to opt-out of the notice requirement; however, the amendments were stripped off the Senate bill on the Senate floor. HB 751 passed the House 111-0 and the Senate 33-1. HB 751 was sent to the Governor who must take action by May 15.

Design Professionals Liability: SB 1964 by Sen. Negrón (HB 701 by Precourt) fixes two court decisions that found even when there is a contract design professionals are not limited to contractual liability. SB 1964 limits design professionals’ liability and states there is no cause of action in tort, that there are no claims outside breach of contract and that a design professional is still liable for economic damages. SB 1964 passed the Senate 33-4 and the House 111-2.

Affordable Housing: HB 665 addressed several issues relative to affordable and workforce housing and removed the cap on the Affordable Housing Trust Fund; however, a controversial amendment relating to an exemption from certain permitting requirements for a development in Palm Beach County was added to the bill in the Senate. The House refused to concur with the amendment and the Senate refused to recede, ultimately killing the bill. Fortunately, the Legislature did appropriate \$37.5 million in down-payment assistance for single-family homes.

Economic Development—Jobs Bill: Legislation aimed at creating jobs for Floridians passed the Legislature. SB 1752 by Sen. Gaetz (HB 1509 by Rep. Weatherford) is a \$50 million comprehensive bill that includes provisions for the space industry, marina industry, aircraft industry, and manufacturing; provides several business tax exemptions and tax credits; and, addresses several other economic development statutes in order to stimulate the state’s economy. The bill also reduces regulatory impediments on businesses seeking permits or extensions of development orders, including extending building permits for another year. SB 1752 passed the House 117-0, was amended in the Senate and passed 39-0 and then returned to the House where it was approved 115-0.