

2020 Florida Legislative Session Wrap-Up

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Florida
TaxWatch



INTRODUCTION

The 2020 Florida Legislative Session is over, but not until after a one-week extension to finish the budget. This session may end up being known most as the session that ended as COVID-19 (the coronavirus) began. People were understandably not as focused as usual on the session as it wound down.

Lawmakers approved 207 bills this year, slightly more than the 197 passed last year, which set a record for the fewest bills passed (at least since 2001). In the first part of this millennium, sessions with more than 300--and even more than 400--passed bills were the rule.

Still, this session saw the Legislature provide pay raises for both state employees and teachers. It was a good year for the environment, especially Florida's water resources, with more than \$625 million in funding for restoration and protection and passage of the Clean Waterways Act; however, the momentum for corrections reform that started last session stopped this year, as nothing of significant consequence passed.

The Legislature passed a \$93.2 billion budget that is \$2.2 billion more than current spending. It also exceeds both chambers' budget proposals: the Senate by nearly \$400 million and the House by more than \$1.8 billion. It provides \$25.125 million to match \$27.0 million in federal money for COVID-19 response. In addition, in the budget conference, spending in several areas (including tax cuts) was reduced in order to leave an additional \$300 million in reserves to deal with the virus. Despite the looming virus-related costs and the likely reduction in state revenue collections from declines in tourism and other economic activity, the budget is chock-full of a record number of local member projects.

A modest (relative to recent years) tax package with \$47.4 million in one-time tax cuts was passed.

The bills passed by the 2020 Legislature included many recommended or supported by Florida TaxWatch research. These are detailed in the Top Florida TaxWatch Issues section.

The following Legislative Wrap-Up discusses all these bills and more. It shows what passed and what did not—both issues supported by Florida TaxWatch research and other important bills we monitored all session long to keep our members and the public informed on our [Legislative Update webpage](#).

FLORIDA TAXWATCH TOP ISSUES

LEGISLATION SUPPORTED BY FLORIDA TAXWATCH THAT PASSED

Funding for Water Resources - [Florida TaxWatch research](#) supported Gov. DeSantis's recommendation to provide at least \$625 million for restoration and protection of the Everglades and other Florida waterways. The 2020 Legislature provides that funding.

Clean Waterways Act - SB 712 is a wide-ranging bill that is a big step towards protection our water resources. It implements recommendations of the Blue-Green Algae Task Force, as [recommended by Florida TaxWatch](#).

VISIT FLORIDA - Florida's vital tourism marketer was scheduled for repeal on July 1, 2020. The House wanted to let it die. SB 362 will extend it for three years and the new budget will fund it at \$50 million.

Safeguarding Funding for Affordable Housing - As Florida TaxWatch recommended, the Legislature will not sweep the housing trust funds, making this the first time in more than ten years that affordable housing will receive all the funds that are supposed to be dedicated to it.

Advanced Practice Registered Nurse Scope of Practice - HB 607 will allow APRNs to practice to the full extent of their training and education. Florida TaxWatch has supported this as a way to increase access to health care and reduce costs. The bill was quickly signed by the Governor.

Pharmacists Testing and Treatment - HB 389 will also increase health care access by allowing pharmacists under a collaborative agreement with a doctor to provide certain services. They are also now allowed to

test and treat minor health conditions like the flu and strep.

School Choice - HB 7067 will add nearly 29,000 new vouchers through the Family Empowerment Scholarship Program. The program has a cap of 18,000. The bill will increase the allowed annual cap growth from .25 percent to 1.0 percent of public school enrollment.

Tolling of Time Period for Refund Claims - Legislation passed that tolls the time period for refund claims during the audit protest process. This will avoid a valid refund claim being discovered after the time to file a claim has expired.

Tax Administration Changes Supported by the Taxpayers' Rights Advocate - In addition to the tolling issue above, the tax package includes other tax administration recommendations from DOR. Five of these were supported by the Taxpayers' Rights Advocate to increase fairness, reduce the burden on taxpayers, and/or provide clarity. These recommendations were included in his annual report.

Sales Tax Holidays - There will be a three-day Back to School Sales Tax Holiday and a seven-day Disaster Preparedness Holiday. [Read why Florida TaxWatch supports sales tax holidays](#).

Alzheimer's Disease Initiative - HB 835 creates the position of Dementia Director within the Department of Elder Affairs to assist with the development of the Alzheimer's disease state plan, coordinate state policies, collect data on the disease's impact in the state, increase public awareness and education and help coordinate activities between groups interested in dementia research, programs, and services. Florida TaxWatch finds Alzheimer's disease research provides taxpayers with the potential for long-term reduction of health care costs and gives needed hope to Florida's seniors and their families. HB 835 unanimously passed both chambers.

LEGISLATION OPPOSED BY FLORIDA TAXWATCH THAT FAILED

Tourist Development Taxes - The tax package also included an expansion of the authorized uses of local TDT revenue. Florida TaxWatch issued a [Briefing](#) urging the Legislature to not allow more uses, something that has become commonplace. All these new uses divert money from the intended use of TDTs--tourism promoting and advertising. The Senate Appropriations Committee amended these provisions out of the tax package.

University Merger - [HB 7087](#) would have merged the Florida Polytechnic University and New College with the University of Florida. [Florida TaxWatch warned](#) that hasty attempts at university mergers, without full study, can backfire. The bill made it to the House floor but never got a vote.

Aviation Fuel Tax - [SB 1192](#) would have exempted aviation fuel from the current 4.27 cents/gallon excise tax. A cut in the tax rate was in the tax package, but did not make the final version. Florida TaxWatch opposes reducing State Transportation Trust Fund dollars and believes the money does more for air travel in Florida by continuing its current purpose of investing in airports.

LEGISLATION SUPPORTED BY FLORIDA TAXWATCH THAT DID NOT PASS

Remote Sales Tax Collection to Protect Consumers and Florida Retailers (E-Fairness) - Another session, another failure of the Legislature to address this issue.

Reducing Florida's Business Rent Tax & Communication Services Tax - Reductions in both of these taxes were part of both the House tax package and the original Senate version. In an attempt to put more money into reserves for future costs related to COVID-19, the tax bill was scaled way back and these two cuts were lost. Florida TaxWatch urged the Legislature to first look at the hundreds of millions of

dollars in member projects in the budget as a way to free up funds for combatting the virus.

Criminal Justice Reform - In a session that held great hope for lowering cost and crime through data-driven reform, nothing was achieved as the House showed no interest in the many good Senate bills. One bill allowing judicial discretion in sentencing non-violent, low-level drug offenders passed the Senate but faced resistance in the House. Bills authorizing more veterans' treatment courts and expanding juvenile diversion expunction appeared to be on their way to final passage but died on the floor.

Program of All-Inclusive Care for the Elderly (PACE) - [HB 833](#) would have codified PACE in law, set specific parameters, required PACE organizations to meet quality and performance standards, and increased providers and access. It seemed on its way to passage but died in returning messages late on the last night. [Florida TaxWatch research](#) found that PACE improves patient outcomes and provides considerable savings to the taxpayer by providing healthcare at a lower cost and by diverting elders from nursing homes. We recommended increasing access to PACE.

Civics Instruction - [SB 918](#) and [HB 581](#) would have authorized the development and integration of a nonpartisan civic literacy practicum in public schools. These bills looked on their way to becoming law--SB 918 passed the full Senate unanimously and HB 581 made it to the floor. Other legislation would have required students by grade 12 to take a civic literacy assessment. A student who earns a passing score would be exempt from the currently required postsecondary civic literacy assessment.

TAXES

PASSED

Tax Package - The 2020 tax package ([HB 7097](#)) was amended many times as it moved through the process. At first it grew, topping \$230 million in tax savings at one point. Then, citing a need to keep more money in reserves for COVID-19 response, it started getting smaller. The total of the final tax package is \$47.4 million, \$10.8 million of which is local. All of the savings comes from two sales tax holidays, so the tax cuts are one-time. This reduces the tax package's fiscal hit to the state to \$36.6 million in the upcoming budget year, with no recurring impact. The original House tax package contained a lot of different tax cuts, most of them small. The two largest tax cuts in the bill were both FTW priorities--a reduction in the communication services tax (CST) of 0.5 percent and a reduction in the business rent tax (BRT) from 5.5 percent to 5.4 percent. These, and many other tax cuts, were removed but the bill still has many tax administration provisions.

[See what's in and what's out of the final tax package.](#)

Back-to-School Sales Tax Holiday - In what has become a perennial tax relief measure, a three-day sales tax holiday would be held from August 7-9, 2020. During the holiday, clothing (including footwear, wallets and bags) that cost \$60 or less would be exempt from the state and local sales taxes. Also exempt would be school supplies costing \$15 or less and the first \$1,000 of the sales price of personal computers and related accessories purchased for noncommercial home or personal use. This would include tablets, laptops, monitors, input devices, and non-recreational software. This will save consumers \$41.8 million. The Senate had recommended a 10-day holiday worth \$65.1 million. [Read why Florida TaxWatch supports sales tax holidays.](#)

Disaster Preparedness Sales Tax Holiday - The final tax package (HB 7907) also contains a seven-day tax holiday for hurricane supplies from May 29 to June 4, 2020. During the holiday, the exempt items (and price limits) would be: portable self-powered light sources (\$20); portable self-powered, two-way, or weather band radios (\$50); tarps or other flexible waterproof sheeting (\$50); ground anchor or tie-down kits (\$50); gas or diesel fuel tanks (\$25); packages of batteries, excluding automobile and boat batteries (\$30); nonelectric food storage coolers (\$30); portable generators (\$750); and reusable ice (\$10). The Senate proposed an 18-day holiday, and also would have included impact-resistant windows (units of 20 or less) and doors, including impact-resistant garage doors (units of 10 or less). The adopted holiday will save consumers an estimated \$5.6 million, while the Senate's proposal was worth \$26.8 million.

Tolling of Time Period for Refund Claims - The time limit for the DOR to make a tax assessment is tolled (frozen) during the audit and refund denial protest process, but the time for a taxpayer to file a refund claim is not. This can result in a valid refund claim being discovered after the time for the taxpayer to file the claim has already expired. HB 7097 provides for the time period for refund claims to be tolled during the protest process. Florida TaxWatch has long been a proponent of equity in the statute of limitations for refunds and assessments.

Tax Administration Changes Supported by the Taxpayers' Rights Advocate - In addition to the tolling issue above, the tax package includes other tax administration "legislative concepts" from DOR. Five of these were supported by the Taxpayers' Rights Advocate to increase fairness, reduce the burden on taxpayers, and/or provide clarity. These recommendations were included in his annual report, which was required by the TaxWatch-recommended 2018 law that increased [the independence and effectiveness of the Advocate.](#)

Property Tax Discount for Disabled Vets' Surviving Spouse - [HJR 877](#) will bring a proposed constitutional amendment to the voters in November to allow the current discount for combat-disabled veterans age 65 or older to carry over to the surviving spouse. HJR 877 passed both chambers unanimously.

Save Our Homes Portability - [HJR 369](#) will bring a proposed constitutional amendment to the voters that would increase the portability period from two to three years. Homeowners would have three years to transfer up to \$500,000 of accumulated benefit from a prior homestead to a new homestead. HJR 396 passed both chambers unanimously.

Disabled Veterans' Property Tax Exemption - The homestead property of a veteran who was honorably discharged with a total and permanent disability is exempt from taxation but may not receive the exemption in the year a new homestead property is purchased. [HB 1249](#) allows such a veteran to receive a property tax refund for the newly acquired property, prorated as of the date of the transfer, if the veteran receives the homestead exemption on the previous property, acquires title to a new property between January 1 and November 1 of the same year; and receives an exemption for the newly acquired property in the next tax year. This will save disabled vets approximately \$3 million annually. HB 1249 passed both chambers unanimously.

Corporate Income Tax Piggy-Back Bill - [HB 7095](#) is the annual bill to adopt the latest federal corporate income tax code, which is needed since federal taxable income is the starting point for calculating Florida tax liability. In recent years, this has become a complex issue, as Florida has "de-coupled" from certain federal provisions that would have a large fiscal impact on the state. The federal Tax Cuts and Jobs Act of 2018 resulted in a significant increase in Florida's tax base, leading the Legislature to create a system of refunds and rate reductions in an attempt to make the federal

changes revenue neutral for Florida. This system has worked to some degree in total (with a little-acknowledged tax increase), but it is not equitable to all taxpayers (see "Corporate Income Tax Credit" below). This year's piggy-back bill was straightforward, only updating the year of the federal tax code, signaling that the Legislature had little appetite to address the inequities created by the refund and rate reduction system this session.

Non-Profit Hospitals - In what could also be considered a tax increase (although the provision carries an "indeterminate" positive fiscal estimate), a hospital's exemption would be limited to the value of the charity care it provides (as reported to the IRS). The hospitals currently are 100 percent exempt. [HB 919](#) passed the full House but was not taken up by the Senate. However, this provision made it into the final tax package where the bill was amended to allow the statewide benefit provided by the hospital to be counted, not just the county benefits. Right before final passage, the Senate amended the bill to provide that the net benefit must be less than the exemption for two consecutive years before the exemption is reduced and delayed the effective date from July 1, 2020 to January 1, 2022.

DID NOT PASS

Business Rent Tax - It would be difficult to find a clearer and more widespread competitive disadvantage faced by many Florida businesses than the Business Rent Tax (BRT). Florida remains the only state in the nation to subject businesses that rent property such as office space to a sales tax, creating a government mandated increase of up to eight percent in occupancy costs. [Florida TaxWatch has long advocated](#) for the elimination of the BRT. The House tax package included a small 0.1 percent cut in the tax rate (from 5.5 percent to 5.4 percent), but it was removed in the Senate.

Communications Services Tax - Florida TaxWatch has been a long-time proponent of reducing the CST, with numerous [FTW reports](#) showing that Florida's is one of the highest in the nation and much higher than the sales tax, making the tax regressive, punitive, distortionary, and non-competitive. A reduction would provide savings to virtually all Florida families and business. Many pay the tax on multiple bills (cell phones, cable, streaming). The House tax package included a 0.5 percent cut in the state CST tax rate and it stayed in the Senate version until it was removed just before the final vote. [HB 701](#) and [SB 1174](#) proposed lower, flat local rates: 4 percent for charter counties and municipalities and 2 percent for non-charter counties. This would have resulted in more uniform local CST tax rates and saved taxpayers \$190 million annually. These bills didn't get far.

Tourist Development Taxes - The proposal expanded the list of acceptable uses of TDT revenues to include parks, trails, and water quality improvement projects such as: flood mitigation; seagrass or seaweed removal; algae control, cleanup, or prevention measures; and septic to sewer conversion projects. [Read why Florida TaxWatch opposed this](#). The bill also restructured the authorized uses of tourist development, convention development, and local option food and beverage taxes levied in Miami-Dade County. This includes renaming Miami-Dade's two percent food and beverage tax as the "Local Option Coastal Recovery and Resiliency Tax" and changing its use from currently funding the Greater Miami Convention and Visitors Bureau (after current contracts expire) to funding water quality improvements, beach nourishment, purchase of conservation lands, erosion control, mangrove protection' and removal of invasive species. All these House provisions were amended out in Senate Appropriations, but a minor provision was added back to the final bill.

Corporate Income Tax Credit – [SB 1240](#) sought to provide a one-time \$2 million credit against 2018 corporate income tax liability for car rental, leasing and sales financing companies that experienced huge state tax increases due to the loss of the tax treatment of like-kind (IRS Section 1031) exchanges. To qualify for the credit, a company must have had a final tax liability of more than \$15 million and this liability must also be at least 700 percent greater (or \$15 million greater for car financing companies) than the prior tax year. This would have been relatively minor relief since a it would take a tax increase of at least \$13.125 million to qualify for the \$2 million credit. This provision was also in the tax package but ultimately was removed.

Children's Promise Tax Credit Program - [HB 7063](#) would have allowed taxpayers to take a dollar for dollar tax credit for monetary donations to qualifying non-profit, Florida-based entities that provide services focused on child welfare and well-being. Credits could be taken against the corporate income tax, insurance premium tax, severance taxes on oil and gas production, alcoholic beverage tax, or self-accrued sales tax liability of direct pay permit holders. Total credits were capped at \$5 million annually. Credits were generally non-transferrable and unused credits could be carried forward 10 years. This credit was also added to the House tax package, but the Senate removed it. After a final vote was postponed four times, HB 7063 died on 3rd reading.

Fee for Vape Dealers – [SB 1394](#) would have required dealers of vaping products to pay an annual license fee of \$50 for a retail tobacco product dealer permit and subject them to state regulation. The bill was linked to SB 810, which raises the smoking and vaping age to 21 and prohibits the sale of flavored liquid nicotine products. SB 810 has passed but the \$50 fee for dealers (who don't also sell traditional tobacco products) was removed from HB 1394.

Collection of Sales Taxes from Remote Vendor's (E-Fairness) - Again, resistance from the House means Florida still won't address this issue. It is time to take the burden of collecting and remitting the sales tax owed on internet and other remote purchases off Florida consumers and put it where it belongs—on the seller. Since the 2018 U.S. Supreme Court Wayfair decision, which ruled that states can apply reasonable requirements for remote vendors to collect taxes on sales to residents, every state except Florida and Missouri have taken steps to resolve the issue. Not collecting taxes on remote sales costs Florida governments \$600 to \$700 million in legally owed revenue, places retailers at a competitive disadvantage, distorts purchasing decisions, and is unfair to Floridians that do pay the tax. It also makes millions of taxpayers—usually unwittingly—lawbreakers, subjecting them to collection and enforcement action by the state. See TaxWatch reports [here](#) and [here](#). [SB 126](#) and [HB 159](#) would have addressed this issue. SB 126 passed two committees, but the House bill was not heard.

Mini-Senate Tax Package - [SB 1642](#) had several tax provisions in it. The bill created a sales tax exemption for certain aircraft and aircraft equipment used in government defenses contracts. The bill also: expanded the sales tax exemption for parts and accessories for industrial machinery and equipment; increased the property tax discount currently applied to certain charitable affordable housing projects from 50 percent to 100 percent; and included intellectual property in the cumulative capital investment required to qualify for the Capital Investment Tax Credit. Several of these provisions were added to the tax package along the way, but ultimately removed.

Rental Car Surcharge - [HB 377](#) provided that peer-to-peer car-sharing programs (such as Uber or Lyft) were required to collect sales tax and the \$2 per day rental car surcharge from the customer and remit them to the

state. These taxes are currently levied on rental cars and car-sharing services. The Department of Revenue says these taxes currently apply to peer-to-peer car-sharing services but there is no mechanism to collect it. An initial estimate said as much as \$52 million in sales taxes and surcharges might be collected, but the revenue impact estimate states “it is unclear the extent to which the provisions of this bill are enforceable given the out-of-state nature of the current marketplace providers.” HB 377 made in through the Ways & Means Committee. A comparable bill ([SB 478](#)) died in the Banking & Insurance Committee.

Diaper Exemption - [SB 54](#) would have created a sales tax exemption for diapers and incontinence products. It is estimated that this exemption is worth approximately \$50 million annually. The bill was approved by the Commerce Committee.

Affordable Housing - [SB 856](#) would have provided a reduction in certain property taxes to taxpayers building or renovating certain affordable, elderly, or workforce housing projects. An amended version would have also allowed local governments to waive impact fees on certain supportive housing development. Some affordable housing tax reductions were also added to the tax package, including a provision to provide a full exemption, instead of the current 50 percent discount, to portions of property in a multifamily project with more than 70 units and is under agreement. This provision was removed due to its \$26.8 million impact. Other changes to the affordable housing exemption—with insignificant fiscal impacts—remained in the final tax package.

Florida Internship Tax Credit Program - [SB 1412](#) would have created a tax credit of \$2,000 for each degree-seeking student intern employed by a corporation, up to a maximum of \$10,000 in any taxable year. It was approved in Finance & Tax.

Aviation Fuel Tax - [SB 1192](#) would have exempted aviation fuel from the current 4.27 cents/gallon excise tax. A cut in the effective tax rate (instead of an exemption) was in the House tax package but did not make the final version. Florida TaxWatch opposes reducing State Transportation Trust Fund dollars and believes the money does more for air travel in Florida by continuing its current purpose of investing in airports.

Manufactured Housing - [SB 818](#) would have reduced the sales tax on mobile homes by applying the tax to 50 percent--rather than 100 percent--of the sales prices. The bill would also have exempted a mobile home from the sales tax if it is intended to be permanently affixed to the land. The tax reduction was also in HB 1339 until it was amended out in Ways & Means. A reduction in sales tax rate from 6.0% to 5.5% was added to the tax package but later removed.

Aging in Place - [SB 192](#) would have created a sales tax exemption for the purchase of items that would assist a person to live independently in their home. The exemption would apply to bed transfer handles and rails, grab bars and shower seats. Florida TaxWatch supports ways to help the elderly age in place. The bill passed one committee.

Hurricane Shutters and Windows - [SB 844](#) created a sales tax exemption for hurricane shutters and impact-resistant windows. It passed the Infrastructure and Security Committee with an amendment limiting the exemption to the first \$100 of the price.

ECONOMIC DEVELOPMENT & TRANSPORTATION

PASSED

VISIT FLORIDA – A top priority for Florida

TaxWatch, VISIT FLORIDA has been continued for another three years. The Florida Tourism Industry Marketing Corporation—known as VISIT FLORIDA (VF)— is scheduled to be repealed on July 1, 2020. Heading into session, House leadership was adamant that VF should go away, but its vital continuation was supported by the Governor and Senate. Tourism is a major driver of Florida economy. In 2018, a record 127 million people visited the Sunshine State, and with every 81 visitors supporting one Florida job, it is critical that Florida’s tourism industry continues to boom. Florida TaxWatch [research](#) shows that continuous, targeted investment in Florida’s tourism industry is essential to our state’s success. While diversifying the economy is important, tourism will remain a key component of Florida’s economic strength. The Legislature must continue to fully fund tourism marketing and promotion and move Florida forward. The original SB 362 postponed the repeal of VISIT FLORIDA for eight years (until October 1, 2028.) The bill was unanimously approved by the full Senate but was amended by the House to provide for a three-year extension. The new budget includes \$50.0 million for VF.

Safeguarding Funding for Affordable Housing - A top priority for Florida TaxWatch, we have shown that the affordable housing crisis in Florida must be addressed to stop the harm being caused to our most vulnerable citizens and the economy. This year, FTW again urged the Legislature to stop the routine sweeps of Florida’s housing trust funds and to appropriate all funds solely for affordable housing programs. A [Florida TaxWatch report](#) analyzed the Legislature’s history of

not using housing funds for their dedicated, intended purpose and showed that over the last ten years, more of these funds have been diverted to other uses (\$1.4 billion) than have been appropriated for affordable housing (\$900 million). [SB 306](#) and [HB 381](#) would have prohibited the legislature from “sweeping” the State Housing Trust Fund and the Local Government Housing Trust Fund, collectively known as the Sadowski Fund. The Senate budget proposed to not sweep the Sadowski Fund but the House wanted to divert \$200 million to other uses. The bills prohibiting future sweeps did not pass, but the Legislature agreed to not sweep of affordable housing funds for the first time in more than ten years and devoted all \$370 million to affordable housing.

Impact Fees – [SB 1066](#) prohibits the application of a new or increased impact fee to pending permit applications unless the result is to reduce the total impact fees or mitigation costs imposed on the applicant. The bill also provides that impact fee credits are assignable and transferable at any time within the same impact fee zone or district, or an adjoining zone or district within the same local jurisdiction. [HB 637](#) was a more expansive bill that would have helped create a consistent statewide process. The bill’s additional provisions included requiring local governments to calculate the fee based on the most recent localized data and exclude any cost that does not meet the definition of “infrastructure” and requiring revenues to be deposited in a separate impact fee trust fund. Each county or city assessing a fee would have been required to establish an Impact Fee Review Committee to: establish policy and methodology for determining new impact fees; review proposed impact fees and submit recommendations to the commission; and review all proposed expenditures to ensure that the fee is used for capital projects within the jurisdiction. HB 637 was laid on the table, but the more limited bill (SB 1066) was one of the last bills to be approved. There was a little drama when the Senate refused to concur with a House

amendment just before adjournment. The House receded.

Rural Economic Development - [SB 426](#) amends the Regional Rural Development Grants Program to increase the annual grant awards (from \$50,000 to \$250,000) for the three regional economic development organizations that serve an entire Rural Area of Opportunity and reduce match requirements from 100% to 25%. It also amends the Rural Infrastructure Fund to increase the percent of project costs grants may provide, expand eligible uses to include broadband internet service, and requiring a review of the grant program. It also revises CareerSource, creating a state board and transferring many of its powers, duties and responsibilities to the Dept. of Economic Opportunity or the board. The bill further makes changes to the Florida development Finance Corporation including requiring performance standards.

Deregulation and Licensing - There was a lot of legislation dealing with deregulation and licensing of occupations. Most of the bill saw movement and five bills made it to the floor. Only one passed but it was a big one. [HB 1193](#) focuses on to businesses and professions regulated by the Department of Business and Professional Regulation (DBPR) and health professionals regulated by the Department of Health (DOH). The “Occupational Freedom and Opportunity Act” bill repeals license or registration requirements for several businesses or professions; provides additional options or reduces the requirements for some professionals, if licensed in another state, to qualify for a license in Florida; reduces the minimum hours of training or continuing education for barbers, cosmetologists, and nail and facial specialists; waives the requirement to pass the commercial driver license test for a military service member or veteran with specified training; preempts the regulation of food trucks to the state to prohibit local governments from requiring a license, registration, or permit, or prohibiting the

operation of food trucks; and many more provisions. For all the changes, and the occupations they affect, see [this](#). See below for those bills that did not pass.

DID NOT PASS

Qualified Target Industry Tax Refund Program - [SB 922](#) would have made the QTI program permanent. Failure to pass the bill means the program is effectively repealed on June 30, 2020 (except existing contracts). It also provided that certain businesses that relocate to, or expand into, a county affected by Hurricane Michael are eligible to receive an increased tax refund and authorizes businesses located in a county affected by Hurricane Michael to apply for an economic recovery extension. The bill was approved by the full Senate but was not taken up by the House. The provisions were also in the tax package until the end, the last amendment took it out just before the final vote.

Deregulation and Licensing – While a big deregulation bill passed (see [HB 1193](#) above), there were several more that did not:

- [HB 3](#) would have preempted the licensing of occupations to the state and superseded any local government licensing. However, any licensing already adopted could continue until July 1, 2022.
- [HB 1155](#) would have expanded the sunrise review process--a formal process requiring a cost-benefit analysis before legislation to regulate an unregulated profession or occupation or expand regulation is enacted.
- [HB 707](#) and [SB 1124](#) would have established a sunset review process for over 100 professions and occupations regulated by the state. The Legislature would have to decide if these each of these regulatory programs should be allowed to expire, be fully renewed, or be renewed with modifications.
- [HB 729](#) would have amended the Administration Procedures Act to increase transparency in rulemaking and provide a mechanism to ensure agencies reduce unnecessary rules.

- [HB 1161](#) would have allowed individuals who hold valid local licenses to work within the scope of such licenses in any local government jurisdiction without needing to meet additional licensing requirements.

[HB 3](#), [HB 1155](#), and [HB 707](#) passed full House and [HB 729](#) made it to the floor.

Sports Development Program – [HB 6057](#) would have eliminated the program, which provides state funding for constructing, reconstructing, renovating, or improving professional sports facilities. The program is funded by state sales tax revenues. Individual facilities may receive up to \$3 million annually for up to 30 years (\$90 million) total. No more than \$13 million can be distributed under the program in a single year. The bill made it to the floor and the repeal was also in the House tax package but the Senate removed it.

Film Incentives - [SB 530](#) would have awarded rebates to production companies based upon their demonstrated economic impact and their commitment to employ Floridians and purchase goods and services from Florida businesses. Allowing each potential project's benefits to be evaluated and prioritized, instead of the first-come, first-served approach of past programs, would help ensure that the most beneficial projects would receive the limited incentive (rebate of 23 percent of qualified expenditures with a limit of \$2 million.) A 2018 [report on Florida's film and television industry by Florida TaxWatch](#) recommended state policymakers strongly consider a sound, fiscally-responsible incentive program to help grow targeted industries such as film and television production. The bill was approved by committee during interim meetings but has stalled. The House strongly opposed such incentives. [SB 334](#) would have allowed local Tourist Development Taxes to be used to promote or incentivize film and television productions in Florida. The bill stalled in its last committee stop.

Gambling/Seminole Compact – Late in the session, Senate President Galvano said that--after some agreement was reached internally--negotiations with the Tribe on a gambling deal had begun. Even without a new compact--the old one expired in 2015--the Seminoles had continued to pay the State about \$350 million a year. Last May, the Tribe stopped the payments, putting a big hole in the state's revenue stream. Details were not released, but rumor had it the new deal could be worth \$700 million a year to the state and the deal would give the Tribe exclusive rights to sports betting. With so many moving pieces, it was a longshot that a deal could be reached this session—and it wasn't.

EDUCATION

PASSED

School Choice - [HB 7067](#) will add nearly 29,000 new vouchers through the Family Empowerment Scholarship Program. The program (created last year) has a cap of 18,000 and is allowed to grow annually by .25 percent of total public school enrollment. The bill increases the growth cap to 1.0 percent of public school enrollment.

Teacher Pay Increase - Both chambers, along with the Governor, recommended a pay increase for teachers but the proposals differed. The Senate proposed \$500 million and the House proposed \$650 million and there were also differences in the details. In conference, after originally agreeing on the Senate's funding of \$500 million, the Senate upped its offer to \$600 million, but they settled on \$500 million. [HB 641](#) creates the teacher salary increase allocation in the FEFP. The Legislature will annually specify the amount of the allocation. Each school district will receive an allocation based on its proportionate share of the base FEFP allocation. Charter schools will get their share of this allocation. The funds must first be used to increase the minimum base salary for full-time classroom teachers and plus certified prekindergarten teachers to

at least \$47,500, or to the maximum amount achievable based on the funds provided. This does not apply to substitute teachers. Remaining funds may be used to provide salary increases to classroom and pre-k teachers who did not get an increase or received one of less than two percent from raising the minimum base and other full-time personnel. Although district school boards and charter school governing boards are not precluded from bargaining over wages, the teacher salary increase allocation can only be used for the above purposes.

Best & Brightest Teach and Principal Bonus

Program Repeal – The controversial bonus program is eliminated. The new budget removes the FEFP category for the bonus program and does not propose an alternative. The Governor had recommended a \$300 million replacement bonus program on top of his \$602 million recommendation for teacher pay. [SB 641](#) removes the Best and Brightest programs from statute.

Higher Education – [SB 72](#) made changes to postsecondary scholarship programs, state university performance, and college and university budgeting. This includes specifying that a Florida Bright Futures Scholarship Florida Medallion Scholar who is enrolled in an associate degree program at an FCS institution is eligible for an award to pay 100 percent of tuition and fees. It allows a student who received a Florida Student Assistance Grant (FSAG) award in the fall or spring term to receive an award during the summer term and prioritizes the distribution of FSAG funds to students who are within one semester of graduating. It contains the good provision that an FCS construction or renovation project may only be included on the priority list if there is sufficient capacity within the cash and bonding estimate made by the Revenue Estimating Conference to accommodate the project within the three-year PECO funding cycle. It also creates the Florida Institute of Politics at FSU and the Adam Smith Center for the Study of Economic Freedom at Florida International University, with specified goals for each. For all the provisions in SB 72 see [this](#).

DID NOT PASS

School Safety – Despite what seemed to be wide bi-partisan support, this year’s school safety bill ([HB 7065](#)) did not pass, as back-and-forth between the two chambers in the final moments of the session doomed the bill. It included several recommendations of the Marjory Stoneman Douglas High School Public Safety Commission as well as ones from a grand jury that looked into problems with school safety. The bill would have expanded mental health training for school safety officers, required emergency reunification plans for families, providing increased oversight by sheriffs to ensure school safety officers are properly trained, and prohibit the arresting of a child under seven years of age. Although disappointed that agreement could not be reached, President Galvano pointed to the passage of Alyssa’s Law ([SB 70](#))—requiring panic button alarms in schools—and the \$25 million funding increase for school mental health assistance as positive steps for school safety.

Civics Instruction - [SB 918](#) and [HB 581](#) would have authorized the development and integration of a nonpartisan civic literacy practicum in public schools. **Florida TaxWatch supports requiring civics instruction in Florida schools.** The bills required the Commissioner of Education to develop minimum criteria for a nonpartisan civic literacy practicum that may be incorporated into a school’s curriculum for the high school United States Government course beginning in the 2021-22 school year. The bills established minimum requirements, including identifying a civic issue, researching and developing an involvement plan to address the issue, and creating a portfolio evaluating and reflecting on the experience and outcome. SB 918 passed the full Senate unanimously, but HB 581 died on the Calendar. Other legislation (SB 1498 and HB 7079) would have required students by grade 12 to take a civic literacy assessment. A student who earns a passing score would be exempt from the currently required postsecondary civic literacy assessment.

University Merger - [HB 7087](#) would have merged Florida Polytechnic University and New College with the University of Florida. This proposal came up suddenly well into the session and [Florida TaxWatch cautioned](#) about making such a major decision without fully examining the issue, which certainly has not been done. The sponsors said it will save money and decrease the cost of a diploma from the two schools, which are by far the highest in the system. Opponents refuted these numbers, saying they are misleading and ignore the uniqueness of the schools and the value of their diplomas. Florida TaxWatch warned that hasty attempts at university mergers, without full study, can backfire. Read our [recently released report](#) on the issue. The bill made it to the House floor but never got a vote.

K-12 Education – [SB 62](#) would have expanded the Dual Enrollment Program by ensuring school districts and colleges cannot deny an eligible student access, making instructional materials free for home and private school students, exempting private schools from dual enrollment tuition, and creates a program to reimburse institutions for the tuition and materials provided home and private school students. The bill expanded Florida Education Finance Program (FEFP) funding to incentivize school districts to offer students access to advanced coursework through dual enrollment and early college programs. It created a new FEFP categorical to assist districts in increasing teacher salaries and removes the July 1, 2020, expiration date for the funding compression allocation within the FEFP. The bill further added requirements to the mental health plans that schools must submit to receive the mental health assistance allocation in the FEFP. The bill also required that a resolution for voters to approve a discretionary sales surtax for school capital outlay must include a statement that the revenues collected will be shared with charter schools based on their proportionate share of the total school district enrollment. These revenues would have to be spent consistent with current law for charter school capital spending. Lastly, if the Legislature does not appropriate

at least \$165 million for charter school capital outlay, funding would have to be included from the district's 1.5 mill discretionary millage. A proposed committee substitute loaded up the bill with other provisions and it stalled at its next stop. The provision concerning school capital outlay referenda is in the final tax package (HB 7097), with some changes.

HEALTH & AGING

PASSED

Scope of Practice for APRNs and PAs – Florida TaxWatch research has long supported increasing the scope of practice for Advanced Practice Registered Nurses (APRNs) and physician's assistants as a way to increase access to health care and reduce costs. [HB 607](#) will allow APRNs to practice more to the full extent of their education and training. APRNs with at least 3,000 hours under the supervision of a physician will be able to independently provide certain services in family medicine, general pediatrics and general internal medicine. To be registered for autonomous practice, APRNs would have to take graduate level course in differential diagnosis and pharmacology. The bill changed considerably as it moved through the process, including adding language from another bill which addresses certified nursing assistants, personal care assistants and home health aides. The bill originally would have allowed for some autonomous practice by physician's assistants, but those provisions were removed by the Senate. HB 607 was approved by both chambers and was quickly signed by the Governor.

Pharmacist Point-of-Care Testing and Treatment –

A [Florida TaxWatch report](#) recommended allowing pharmacists to diagnose and treat influenza and strep at community pharmacies, using point-of-care tests that have approved by the U.S. Food and Drug Administration. It showed that this has the potential

to allow better patient experiences, improve the quality of care, and most importantly, encourage patients to take greater control of their medical conditions. [HB 389](#) will allow this and go further in expanding scope of practice for pharmacists. It would allow them to enter into "collaborative pharmacy practice agreements" with a physician to provide specified services to the doctor's patient. This includes treating chronic health conditions such as arthritis, type-2 diabetes, asthma, COPD, AIDS, and obesity. The pharmacist would have to have a Doctor of Pharmacy degree or at least five years of experience and complete a 20-hour course approved by the Board of Pharmacy. The bill also authorizes a pharmacist to perform--under a written protocol with a supervisory physician--testing, screening, and treatment for other minor, non-chronic health conditions such as the flu, strep, lice, skin conditions, and minor infections. The bill further requires the Board of Pharmacy to adopt a formulary of medicinal drugs that an authorized pharmacist may prescribe to treat minor, non-chronic health conditions. This bill was a compromise with the Senate, which removed provisions to administer certain approved vaccines and long-acting medications to treat substance abuse disorders. HB 389 was approved by both chambers and was quickly signed by the Governor.

Alzheimer's Disease Initiative - [HB 835](#) creates the position of Dementia Director within the Department of Elder Affairs to assist with the development of the Alzheimer's disease state plan, coordinate state policies, collect data on the disease's impact in the state, increase public awareness and education and help coordinate activities between groups interested in dementia research, programs, and services. The bill also revises the formula for respite care by lowering the population factor from persons over 75 years of age to 70. [Florida TaxWatch supports Alzheimer's disease research](#) as a worthwhile, high-return investment for the state of Florida. Research provides taxpayers with the potential for long-term reduction of health care costs and gives

needed hope to Florida's seniors and their families. HB 835 unanimously passed both chambers.

Property Tax Exemption for Non-Profit Hospitals -

Current federal and state law provides a property tax exemption for certain property that is used predominately for non-profit educational, literary, scientific, religious or charitable purposes. This includes non-profit hospitals. This hospital exemption is worth approximately \$200 million in local property taxes. [HB 919](#) required hospitals to document the value of charitable services they provide and limits the charity tax exemption to the value of that charity care as reported to the IRS. This includes unreimbursed costs of providing free or discounted services to patients; participation in programs such as Medicaid; health professions education; health services research; subsidized health services; and community health improvement activities. HB 919 passed the full House but was not taken up by the Senate. However, this provision made it into the final tax package ([HB 7097](#)) where the bill was amended to allow the statewide benefit provided by the hospital to be counted, not just the county benefits. Right before final passage, the Senate amended the bill to provide that the net benefit must be less than the exemption for two consecutive years before the exemption is reduced and delayed the effective date from July 1, 2020 to January 1, 2022.

DID NOT PASS

Program of All-Inclusive Care for the Elderly

(PACE) - PACE provides comprehensive medical and social services through an interdisciplinary team, while allowing seniors to remain comfortably and safely in their own homes. It is funded through Medicaid and Medicare financing. [Florida TaxWatch research](#) found that PACE improves patient outcomes, with increased senior autonomy and improved health measures. The PACE model is also able to produce considerable cost-savings to the taxpayer by providing healthcare at a lower cost and by diverting elders from expensive

nursing homes and we recommended increasing access to PACE. [HB 833](#) would have codified PACE in law. The program is not currently outlined in statute and has been operationalized through the annual appropriations process. The bill set specific parameters on program services and participating organizations and required PACE organizations to meet quality and performance standards, as outlined by the federal Centers for Medicare and Medicaid Services. The bill directed AHCA, in consultation with DOEA, to review program applications to become PACE organizations without prior legislative approval. This should increase applications, providers and access. HB 833 was unanimously approved by the full House. Late on the last day, the Senate adopted an amendment, passed the bill and sent it back to the House. Time ran out.

Health Care Price Transparency - [HB 1205](#) would have prohibited a health insurer or HMO from limiting a health care provider's ability to disclose whether a patient's cost-sharing obligation under his or her health insurance exceeds the cash price for a covered service. In addition, insurers and HMOs must not prevent providers from communicating the availability of more affordable services to insured patients. The bill also prohibits an insurer or HMO from requiring an insured patient to make a payment for a health care service that exceeds the cash price of that service in the absence of health insurance. HB 1205 was approved by the full House and died in messages. A similar Senate bill ([SB 1626](#)) went nowhere.

Nursing - [HB 725](#) and [SB 418](#) would have allowed school district career centers that have workforce education programs to award Associate in Applied Science or Associate in Science in Nursing degrees. Centers could only admit students who are graduates of their licensed practical nurse program. HB 725 was approved by the full House. SB 418 passed one committee.

Aging in Place - [SB 192](#) would have created a sales tax exemption for the purchase of items that would assist a person to live independently in their home. The exemption would apply to bed transfer handles and rails, grab bars and shower seats. Florida TaxWatch supports ways to help the elderly age in place. The bill passed one committee.

CRIMINAL JUSTICE

In a session that held great hope for lowering costs and crime through data-driven reform, nothing was achieved as the House showed no interest in the many good Senate bills. While Florida's crime rate has steadily declined over the past decade, we continue to have one of the nation's largest prison populations and pass the enormous costs of overincarceration onto the taxpayer. Even as laudable sentencing reforms have become law in recent years, it is clear that more must be done to implement modern policy that not only keeps Floridians safe, but also address the two primary drivers of growth in the criminal justice system: overincarceration and recidivism.

Florida TaxWatch continues to be a *strong advocate* for reforms including *increasing judicial discretion* to allow for reduced sentences where possible, appropriate, and just, and *authorizing conditional and supervised early release for elderly and infirm inmates*.

It is estimated that most of the bills below would have had a significant negative impact on prison population. Each inmate carries an average annual cost of more than \$90,000 in operating and capital expenses.

PASSED ONE CHAMBER, DIED ON THE FLOOR

Sentencing - Florida TaxWatch research has supported increasing judicial discretion to allow for reduced sentences where possible, appropriate, and just. Of

all the sentencing bills filed, Sen. Bradley's bill ([SB 346](#)) was the only one to make it to a floor vote. SB 346 allowed for less than the mandatory minimum in certain low-level, non-violent drug cases and further prohibits a sentence for a term longer than 12 months for persons who possess or purchase small amount of specified controlled substances, not including fentanyl and related drugs. This would preclude state prison sentences (which must exceed a year). Changes to the bill reduced the circumstances that would allow judicial discretion, but the bill would have been positive step. SB 364 was approved by the full Senate by a 39-1 but was not taken up in the House.

Veterans' Treatment Courts (VTCs) – Florida TaxWatch supports the use of Veterans' Courts and other problem-solving courts as they emphasize treatment over incarceration. Modeled after drug court treatment programs, VTCs divert veterans, servicemembers, and other eligible individuals into treatment programs for military-related conditions or war-related trauma. [HB 1085](#) would have created a statewide standard for operating VTCs. The bill allowed a court with criminal jurisdiction to create and administer a VTC, which may adjudicate misdemeanors and felonies. A defendant may enter the VTC at any stage of a criminal proceeding. [SB 1496](#) authorized the chief judge of each judicial circuit to create a veterans' treatment court. HB 1085 passed the full House and while the Senate bill also moved, neither passed.

Juvenile Diversion Programs - [SB 700](#) would have allowed for juvenile diversion record expungement for any offense, not just misdemeanors. It also allowed a juvenile who completes a diversion program for any offense, including a felony or subsequent offense, to lawfully deny or fail to acknowledge his or her participation in the program. This expands the current law, which only allows this for first-time misdemeanor offenses. Before passing the bill, the Senate amended it by adding provisions to it, including ones relating

to state and county shared responsibility for juvenile detention. The House added another provision to allow a person that had an expunction for an offense committed when a minor to have another expunction and sent the bill back to the Senate where another amendment awaited. Time ran out.

DIED IN COMMITTEE

Sentencing - A number of bills dealing with sentencing were filed, most of them sponsored by Senator Brandes. Senator Bradley's bill (SB 346) was the only one that made it out of committee (see above). These other bills were approved by at least one committee. The House never acted on any companion bills.

- [SB 468](#) authorized a court to depart from the mandatory minimum sentence for a drug trafficking offense if the offender did not engage in a continuing criminal enterprise; did not use or threaten violence or use a weapon; and did not cause death or serious bodily injury.
- [SB 550](#) authorized a court to sentence certain felony offenders to a nonstate prison sanction with mandatory participation in a prison diversion program. It expanded the number of people eligible for prison diversion eligibility by including second degree felonies and offenders with total sentence points of 60 or fewer. Current law allows third degree felonies and sentence points of 48 (54 in some cases) or fewer.
- [SB 552](#) increased total sentence points to qualify for prison diversion from 22 points or fewer to 44 points or fewer for certain nonviolent felony offenders.
- [SB 554](#) would have expanded eligibility for mitigation of sentence, based on criteria related to substance abuse or addiction, a mental disorder, or a physical disability.
- [SB 560](#) revises the name and primary purpose of the Criminal Punishment Code. The name would be changed to the Public Safety Code and the primary purpose would change from punishing the offender to public safety.
- [SB 1304](#) created a conditional sentence for non-violent substance use and mental health offenders. The sentence must include term of imprisonment, which must have a minimum of 90-days of in-custody treatment, and a 24-month term of drug offender or mental health probation.
- [SB 1504](#) provided for the retroactive application of the changes made by the 2019 Legislature related to the offense of driving while license suspended or revoked. It allowed for resentencing under the 2019 law, which reduced the likelihood of a felony conviction. The offender must apply for a resentencing hearing. If a person was convicted of a felony under the former law and their offense would not be classified as a felony under the new law, they must have all outstanding fines, fees, and costs related to such felony conviction waived. Further, the offender must be treated as if he or she had been convicted of a misdemeanor for purposes of any right, privilege, benefit, remedy, or collateral consequence that the person might be entitled to but for such felony conviction.
- [SB 1308](#) would have shortened the list of offenses that bar juvenile offenders serving life sentences from having a sentence review hearing to only include murder. This amendment would have been applied retroactively. The bill required that a juvenile offender is entitled to a review of his or her sentence after 25 years or, if 25 years on the term of imprisonment has already been served by July 1, 2020, the sentence review hearing must be conducted immediately. The bill also expanded the sentence review hearing process to young adult offenders (under 25 years of age). SB 1308 made it to its last committee but stalled there.
- [SB 1716](#) reduced the mandatory minimum penalties for a prison releasee reoffender (a category of repeat offenders) and creates a process for resentencing. These changes would have applied retroactively. Further, the bill removed a provision

of law that prohibits a prison releasee reoffender from any form of early release.

Conditional Aging Inmate Release - [SB 574](#) would have created a conditional aging inmate release (CAIR) program within DOC for the purpose of determining whether release is appropriate for eligible inmates; supervising the released inmates; and conducting revocation hearings. An inmate would be eligible for consideration for CAIR program when the inmate has reached 70 years of age and has served at least 10 years. An inmate may not be considered if he or she has ever been found guilty of certain offenses such as murder, terrorism, or sexual offenses.

Conditional Medical Release - [SB 556](#) replaced the current conditional medical release (CMR) program within the Florida Commission on Offender Review with a CMR program within the Department of Corrections (DOC). The new program would have determined whether release is appropriate for eligible inmates, supervise the released inmates, and conduct revocation hearings. An inmate would be eligible for release when the inmate, because of an existing medical or physical condition, is determined by the DOC to be an “inmate with a debilitating illness,” a “permanently incapacitated inmate,” or a “terminally ill inmate.” Once identified as a candidate for release, a three-member panel would determine if release is appropriate. An appeal process is also created, with final determination by the DOC secretary. Released inmates are considered to be in the care, custody, supervision, and control of DOC but are not counted in the prison population.

Gain-time - [SB 572](#) increased the maximum monthly incentive gain-time awards that DOC may grant from 10 days to 20 days. This increase applied both prospectively and retroactively. The bill also provided that any gain-time cannot reduce sentences of these offenders below 65 percent (currently 85 percent) of time served if the offense is a nonviolent felony. The current limit of 85 percent if the offense is not a

nonviolent felony would be maintained. The bill also allowed an inmate who has a sentence of two years or more to participate in a supervised community release program. The release term may begin 365 days before the inmate’s tentative release date and may include active electronic monitoring and community control. DOC must use a Risk Assessment Instrument to determine an inmate’s eligibility.

Inmate Education - [SB 194](#) required the Correctional Education Program to develop and implement a plan, in coordination with the Department of Business and Professional Regulation (DBPR) or the applicable board, to ensure that inmates who successfully complete classes which meet the necessary curriculum requirements for a profession regulated by the DBPR or the applicable board receive credit towards licensure requirements.

Criminal Record Expunction - [HB 565](#) expanded eligibility for expunction of criminal history record to include persons with prior expunctions of criminal history record granted for offense committed when a minor. As a result, a person who received a court-ordered expunction for a juvenile offense would be treated the same way as a person who received a juvenile diversion expunction, automatic juvenile expunction, or early juvenile expunction when seeking a subsequent court-ordered expunction.

ENVIRONMENT

PASSED

Funding for Florida's Vital Water Resources – A top 2020 Florida TaxWatch priority was the protection and restoration of Florida's valuable water resources. Our recently released report *We Can't Wait on Water: The Restoration and Protection of Florida's Water Resources* is an Essential Taxpayer Investment lays out the case for why Governor DeSantis's recommendation for \$2.5 billion in funding over four years (\$625 million per year) is so important. The new budget devotes more than \$625 million to water. There are different ways to count it and there are some differences between the Governor recommendation and the legislative appropriation, but we commend the Legislature for funding the restoration and protection of the Everglades and other water resources. The new budget provides more than \$350 million for Everglades restoration, \$40 million for alternative water supply, \$50.0 million for springs restoration, \$25 million for matching grants, \$25.0 million for projects in the St Johns/Suwannee/Apalachicola Rivers/Springs Coast watersheds, \$10.0 million for coral reef protection, \$25 million for achieving Total Maximum Daily Loads, and \$20.8 million for water quality monitoring, a public information portal, the Blue-Green Algae Task Force and innovative technologies.

Florida's Clean Waterways Act - An important complement to this water funding is the implementation of recommendations of the Blue-Green Algae Task Force. [SB 712](#)—"Florida's Clean Waterways Act"--implements a number of Task Force recommendations. The bill improves oversight of septic tanks, encourages septic-to-sewer conversions, updates stormwater and biosolids rules, limits leaks from sewer pipes and more. [Florida TaxWatch's water report](#) recommended the implementation of the Task Force recommendations. See all the provisions [here](#).

Environmental Fines - [HB 1091](#) will increase numerous penalties for violations of environmental laws, generally by about 50 percent. In some instances, the bill also expands the potential time period when each passing day may constitute a separate offense. The limit on administration penalties on a public water system serving a population of more than 10,000 will increase from \$10,000 to \$50,000. After passing the House, HB 1091 was amended on the Senate floor to create a county and a municipal inspection and rehabilitation program for sanitary sewer laterals to identify and reduce leaks. The Senate amendment also requires a seller of real property to disclose to a prospective purchaser, before executing a contract for sale, any defects in the property's sanitary sewer lateral that are known to the seller.

Sea-Level Rise Impact Projections - [SB 178](#) mandates that any public entity using state funds for a construction projects with coastal zones conduct a sea-level impact projection (SLIP) study prior to construction. DEP will develop the study's standards but the bill includes some requirements, such as the study must assess the flooding, inundation, and wave action damage risks relating to the coastal structure over its expected life or 50 years, whichever is less and provide scientific and engineering evidence of the risk to the coastal structure and methods used to mitigate, adapt to, or reduce this risk. This may be a small step, but it is an important one as it signals the Legislature may be ready to start addressing climate change, sea-level rise, and resiliency.

DID NOT PASS

Securing Future Water Funding - The Senate advanced a bill ([SB 1878](#)) that would have required at least \$625 million each year through FY 2022-23, including \$300 million for the Everglades. The bill is similar to the Governor's recommendation, but some of the allocations were different (you can see the differences [here](#)). SB 1878 was approved by the

Environment and Natural Resource Committee but there was no House companion.

Office of Resiliency - [SB 7016](#) would have established the Statewide Office of Resiliency within the Governor's Office, to be headed by a Chief Resilience Officer, appointed by the Governor. A Statewide Sea-Level Rise Task Force would have been created to recommend consensus projections of the anticipated sea-level rise and flooding impacts along Florida's coastline.

BUDGET

The new state budget totals \$93.2 billion, bigger than either chamber's spending plan. It exceeds the Senate's budget by nearly \$400 million and the House by more than \$1.8 billion. It is \$2.2 billion more than current spending. Here are some highlights.

COVID-19 - after granting the Governor's request for \$25.150 million to go with \$27 million in federal money, legislative leaders reduced other spending, including teacher pay, the tax package, and Florida Forever, to add \$300 million to cash reserves for potential virus response costs. Florida TaxWatch urges the Legislature to look first at the hundreds of local member projects peppered throughout the budget.

State employee pay increase - 3 percent across-the-board. During conference, the budget chairs agreed to postpone the pay raise by three months, to October 1, 2020. This would save \$46 million.

Teacher pay increase - After an agreement was reached for \$500 million, the Senate increased its offer to \$600 million. The final agreement went back to \$500 million. Eighty percent (\$400 million) will be used to increase the minimum base salary for full-time classroom teachers and certified prekindergarten to at least \$47,500, or to the maximum amount achievable based on the school district's allocation. Twenty

percent (\$100 million) of the total allocation, plus any remaining funds from the district's share of the eighty percent allocation, may be used to provide salary increases to classroom and pre-k teachers who did not get an increase or received one of less than two percent from raising the minimum base and other full-time personnel. This could help veteran teachers.

Other Pay Increases – In addition to the 3 percent increase, some state employees are getting extra enhancements.

- Correctional Officers and Security Personnel in DCF and APD – bonuses of \$500 to \$2,500 based on longevity
- Child Protective Investigators – 10 percent increase
- Corrections Teachers – 15 percent increase
- Criminal Conflict and Civil Regional Counsel – certain managerial staff get enhanced retirement benefits
- Guardian Ad Litem Attorneys - enhanced health insurance and annual leave benefits

Reserves - \$1.3 billion in General Revenue (cash) reserves, \$3.8 billion in total reserves (GR, Budget Stabilization Fund, Lawton Chiles Endowment)

Trust Fund Sweeps - \$182 million

Member Projects - The new budget contains a record number of these local projects—more than 800 worth nearly one-half billion dollars. There was also \$267 million added to the budget through the House and Senate “sprinkle” lists, accomplished by simply exchanging lists with no discussion as the very last act of the budget conference.

Florida Education Finance Program (FEFP) – The FEFP will provide \$22.7 billion, \$13.0 billion in state funds, \$9.2 billion in local. This is an increase of \$776.0 million (3.55 percent), most of it state funds. This raises per-student funding to \$7,839, an increase

of \$184 (2.40 percent). For Required Local Effort property taxes, the Legislature adopted the rolled-back rate, which only allows growth of new construction (\$158.8 million, or 2.02 percent). The base student allocation, which provides the most school district flexibility, was increased by \$40 per student. The mental health assistance allocation was increased by \$25.0 million, or 33.3 percent.

Best & Brightest Teach and Principal Bonus

Program – This was eliminated, both as an FEFP allocation and from statute. A replacement bonus program, as recommended by the Governor, was not enacted by the Legislature.

Affordable housing – As recommended by Florida TaxWatch, the affordable housing trust funds were not swept for the first time in more than 10 years, allowing for full funding of housing--\$370 million.

VISIT FLORIDA – As recommended by Florida TaxWatch, the state’s tourism marketing arm was extended by three years and funded at \$50 million. The House wanted to let it be repealed this year (October 1, 2020).

Water Resource Protection and Restorations

– The Legislature provides at least the \$625 million the Governor recommended, and Florida TaxWatch supported. However, to get to that mark you have to count 169 local member water projects worth \$76.6 million. This is in lieu of \$125 million matching grant program recommended by the Governor. Most of member projects are assuredly worthwhile, but without a formal, criteria driven selection process, the Governor’s recommendation that project selection should be based on scientific data to provide the largest and most meaningful nutrient reduction in key waterbodies is not followed. Still, the Legislature provides more than \$350 million for Everglades restoration, \$40 million for alternative water supply, \$50.0 million for springs restoration, \$25 million for

matching grants, \$25.0 million for projects in the St Johns/Suwannee/Apalachicola Rivers/Springs Coast watersheds, \$10.0 million for coral reef protection, \$25 million for Total Maximum Daily Loads, and \$20.8 million for water quality monitoring, a public information portal, the Blue-Green Algae Task Force and innovative technologies.

Nursing homes Medicaid reimbursement rate

increase – The Legislature settled on \$74.8 million, splitting the difference between House and Senate budgets.

Other Medicaid reimbursement rate increases

– An increase of \$2.6 million was provided for physicians providing neonatal intensive care unit services. In the Agency for Persons with Disabilities, \$60.2 million was appropriated for Residential Habilitation, Adult Day Training, Personal Supports and Companion, and Respite providers.

Hospitals – The Senate wanted to redirect \$64 million in supplemental payments that goes to the 28 “safety net” hospitals that provide the most Medicaid care to the base rate paid to all hospitals. Budget negotiators finally settle on leaving it as is.

Florida Forever - \$100 million, Senate came down from \$125 million, House budget proposed \$20 million. Includes \$12.3 million for FRDAP (local park development, not really land acquisition).

Florida Job Growth Grant Fund - \$10 million, House had proposed \$0, Senate \$20 million. Governor recommended \$50 million.

Energy Office – There was an attempt to move the office from the Department of Agriculture and Consumer Services to the Department of Environmental Protection. Decried as a “power grab” by the Agriculture Commission, the move was eventually tabled.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants, and does not accept government funding. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves since 1979.

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The findings in this Report are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.

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