



Florida  TaxWatch

2022 Florida Legislative Session Wrap-Up

MARCH 2022

INTRODUCTION

The 2022 legislative session is over, even if it ran a little long. With a scheduled adjournment on Friday, March 11, lawmakers had to return the following Monday to vote on a massive \$112.1 billion budget. There were plenty of controversial, hot-button issues. Including abortion, critical race theory, school textbook review, and sex education and LGBTQ rights. These took up a lot of debate time but this Legislature still managed to pass a 285 bills, the most since 2013.

But if there is one word that sums up the 2022 session it might be “money.” There was a lot of it and a lot of it got spent. With state coffers reinforced with billions in federal aid and a rebounding economy that caused tax collections to consistently beat estimates, lawmakers had more money than they knew what to do with.

The new budget is a 10.2 percent increase over last year’s, following another 10.2 percent increase in 2021. The \$43.7 billion in General Revenue (GR) spending is an increase of nearly 20 percent. The budget is now \$20 billion bigger than it was two years ago, not to mention the spending of billions in federal funds that are not included in these totals. The budget includes substantial increases in education, environmental, and health care spending, and state employees are getting a 5.4 percent pay raise. And of course, legislators got an unprecedented amount of their local projects to take back home. There is also significant tax relief of \$658 million, with most of it going to individual taxpayers, with relatively little targeted at businesses. And there is still nearly \$10 billion in GR reserves leftover (including two new reserve funds).

Florida TaxWatch and the state’s taxpayers had a number of successes. Many bills and budget issues supported by our research and recommendations passed. These include extending VISIT Florida, strengthening sea level rise resiliency, expanding broadband to unserved areas, adding financial literacy to graduation requirements, tax holidays, expanding telehealth, providing education and employment incentives for probationers, expanding criminal record expunction for juveniles who complete a diversion program, extending COVID-19 liability protections for health care providers, affordable housing, and a proposed constitutional amendment to the November ballot that would create a new \$50,000 homestead exemption for teachers, law enforcement, firefighters, EMTs, and other front-line workers. Our research and input that raised concerns with legislation, helped to improve them or fail passage, including changes to the tax audit system and a very costly approach to improving data privacy.

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

TAXES

PASSED

Tax Relief – The Legislature passed a \$658 million tax relief package ([HB7071](#)) that features four sales tax holidays and focuses on non-recurring tax cuts that help individual taxpayers, with relatively little relief targeted to businesses. In conference, the Senate agreed to the House tax relief package, making some changes and additions. The Senate changes were relatively minor, with the exception of a one-month, \$200 million gas tax holiday in October. [Summary of the tax package.](#)

New Homestead Exemption - Another bill ([HJR1](#)) will bring a proposed constitutional amendment to the ballot in November, asking voters to approve a new \$50,000 homestead exemption for teachers, law enforcement and correctional officers, firefighters, emergency medical technicians, paramedics, child welfare professionals, active duty military and National Guard members. The amendment would exempt the value of a home between \$100,000 and \$150,000 and would not apply to school levies. With the two homestead exemptions currently available, homeowners would still be taxed on the value between \$25,000 and \$50,000, between \$75,000 and \$100,000, and anything over \$150,000. The new exemption would save those that qualify a total of \$86 million annually. [See Florida TaxWatch testimony on proposed constitutional amendment.](#)

DOR Tax Administration - [SB1382](#) is the Department of Revenue (DOR) legislative package, making many changes, dealing mostly with the audit process. Florida TaxWatch found that while the original bill contained some good provisions, it

had others that could put taxpayers at serious risk and should be changed or eliminated. The bill was amended, making significant improvements and addressing most of the concerns. In the House, a work group was added to review the DOR's compliance enforcement process and recommend ways to further improve it. Florida TaxWatch was selected to chair the workgroup. However, the final bill did not contain the workgroup, based on DOR's assurance to keep listening to stakeholders' input. The bill, which now better balances tax enforcement and the rights of taxpayers, does have some provisions that may need future refinement. Thanks to DOR for being so receptive to the input of Florida TaxWatch and others.

Sales Tax Holidays – The new tax package contains four holidays: expanded Back to School and Disaster Preparedness holidays, a Freedom Week holiday, and a new one for tools and equipment needed in skilled trades. [For more information, see this summary.](#) [Read why Florida TaxWatch supports tax holidays.](#)

Doc Stamps Exemption for Emergency Loans

– A recommendations of the [Florida TaxWatch COVID-19 Taxpayer Task Force](#), future federal loans made during emergencies will be exempt from documentary stamp taxes, similar to when Governor DeSantis issued an Executive Order suspending doc stamp taxation on the CARES Act's Paycheck Protection Loans. This removes an additional cost to business recovery and response efforts and removes a potential disincentive to small business participation in such programs. This was included in the tax relief package (see above).

Local Tax Referenda Requirements – [HB777](#)

requires local tax referenda to approve local option taxes be held a general election. Florida TaxWatch did not make a recommendation on this bill, but [our research](#) shows that tax referenda at a general election have a lower success rate than at special, primary, or presidential preference primary elections.

DID NOT PASS

Corporate Income Tax – Prior to the session, [Florida TaxWatch warned](#) that, unless the Legislature acted, Florida corporations would be facing a \$1 billion tax increase. In response to the tax base expansion measures contained in the federal Tax Cuts and Jobs Act, the Florida CIT tax rate has been reduced twice and is now at 3.535 percent for tax years before 2022. However, the rate is scheduled to return to its original 5.5 percent beginning in 2022 tax years and will now apply to a larger tax base. The 2018 Legislature enacted the CIT refunds and automatic rate reductions in an attempt to make the impact of federal tax reform as revenue neutral for Florida corporations as possible. It helped, but state taxes for corporations still went up significantly. Even after the refunds and rate reductions, corporate taxpayers will have paid **\$1.9 billion** more from Fiscal Year 2018-2019 through Fiscal Year 2022-23 than was forecasted before federal tax reform was implemented. Now, with the tax rate returning to the original 5.5%, and applying it to the larger tax base, CIT taxes in Florida will rise even more. It is now estimated that collections will be \$4.5 billion in FY2025-26, the first year with no remaining effects of the automatic refunds and rate reductions. Gross collections were never more than \$2.4 billion in any year before the TCJA.

[Florida TaxWatch encouraged legislators](#) to act to prevent the scheduled tax increase and fix two additional provisions of the TCJA adopted by Florida--the Qualified Improvement Property “glitch” and the elimination of the “like-kind” exchange provision. [SB1090](#) did not address the rate increase, but it attempted to mitigate it by adopting the federal provisions for bonus depreciation and the increased limitation on business interest deductions. The bonus depreciation would provide \$1.4 billion tax savings in FY 2024-25 but then that revenue would begin to be recouped by the state since bonus depreciation simply speeds up the deduction. The interest expense

change would save Florida corporations over \$300 million annually. The bill also adopted the new IRS code which includes new treatment of research and experimental expenditure deductions, which will cost Florida taxpayers even more. The change will increase CIT collections by nearly \$800 million in the first five years. While it would have helped, SB1090 would not have reduced the coming tax increase by very much in the long run. SB1090 did not pass, but this last provision was included in the tax package, meaning instead of addressing increasing corporate income taxes, the 2022 Legislature made it worse.

Qualified Target Industry (QTI) Tax Refund

Program - As reported in [Florida TaxWatch’s September 2021 analysis](#), QTI, a proven economic development tool which expired on June 30, 2020, should be reauthorized by lawmakers. This will enable the state to directly compete with Texas, Georgia, North Carolina, and others to attract companies in high value-added industries that are considering settling or expanding their operations. Applicants must have the support—including a shared financial commitment—of the local community where the business is located. And most importantly, the program provides taxpayers with a significant return-on investment of more than 5 to 1—producing more than \$5 of additional state revenue for each dollar the state pays out in refunds. [SB800](#), which would reauthorize a revised QTI program for rural areas only, stalled in its last committee. **Florida TaxWatch will again recommend the 2023 Legislature reauthorize the full QTI program.**

Government Leaseholds – Leaseholds are when government leases tax exempt property to a private lessee. [A recent Florida TaxWatch report](#) concluded that the current system of taxation raises numerous questions/issues that need to be addressed, including unequal application, what should be exempt/taxable, and which tax should apply (real or intangible property.) Further, a reading of the statute does not give

taxpayers a clear understanding of the law, and perhaps most importantly, the evolving legal interpretation does not appear to match legislative intent. The report recommended the Legislature undertake a comprehensive overhaul of the law governing the taxation of governmental leaseholds with a special focus on what should be exempt, making sure the law clearly represents its intent (whatever that may be). HB1387 would have been a good start. The bill clarified what constitutes an exempt governmental purpose at a public airport, a spaceport, or a deepwater port. It also provided that when an exemption for leasehold interest is granted, unless the lessee changes the use of the property, that exemption must remain valid for the term of the lease, including extensions that were contemplated in the original lease. This is important for the stability of the operations of the taxpayer providing the aviation, airport, aerospace, maritime, or port purpose. This is a complex issue and will likely resurface next session.

R&D Tax Credit – [SB952](#) contained two recommendations of the [Florida TaxWatch COVID-19 Taxpayer Task Force](#). One provision was included in the tax package (see Doc Stamp Exemption for Emergency Loans above) but another provisions that would have increased the cap on total research and development tax credits from \$9 million to \$50 million annually died with this bill.

OTHER TAX LEGISLATION THAT MOVED BUT DID NOT PASS

These bills saw some movement but did not make it through both chambers. Do not be surprised to see many of these again next session.

Taxation of Investigative Services – While most services are not subject to sales taxation in Florida, a few, including detective, burglar protection, and other protection services, are taxed. [SB1146](#) and [HB763](#) would exempt small private investigative agencies, defined as an agency that employs three or

fewer employees that each received less than \$50,000 in compensation. The House passed its bill and the Senate bill made it to its last committee.

Construction Equipment - Currently, inventory is exempt from the ad valorem taxation of tangible personal property. Property held for lease to customers, rather than sale, is considered inventory until it is first leased. [HB751](#), which made it to the House floor, would have expanded the definition of the term “inventory,” for all property tax levies other than school district levies, to include construction equipment owned by a heavy equipment rental dealer that is for sale or short-term rental. Prior short-term rental would not disqualify such property from being considered inventory. This exemption would be worth more than \$20 million annually. This bill made it through all its committees and died on the House calendar.

Property Appraiser Appeals - Currently, property appraisers may challenge Value Adjustment Board (VAB) decisions only when the variation from the property appraiser’s assessed value exceeds established percentages (depending on value of property). The minimum variance for challenges is 15 percent for assessments up to \$50,000, 10 percent for assessments up to \$500,000, 7.5 percent for assessments up to \$1.0 million, and five percent for assessment of more than \$1.0 million. [HB417](#) wanted to increase those thresholds to 25 percent, 10 percent, 17.5 percent, and 15 percent, respectively, making it more difficult for a VAB decisions to be challenged. **This made it to its last committee.**

Aircraft Sales and Lease Tax – [SB786](#) would exempt all aircraft sales and leases from the sales tax. Currently, only aircraft with a takeoff weight of over 15,000 pounds and certain planes offered for use in a Florida university’s flight training and research program. **This made it to its last committee.**

Florida Main Street Program and Historic Preservation Tax Credits – [SB1310](#) and [HB247](#) provide a tax credit against corporate income or insurance premium taxes for expenses incurred in the rehabilitation of a historic structure. **Both bills died in their last committee.**

Apprenticeship Tax Credit – [HB1447](#) allows a taxpayer who employs an apprentice to receive a tax credit against the corporate income tax of up to \$2,000 for each apprentice. The credit is equal dollar for dollar to the total number of hours the apprentice worked in the previous tax year, up to 2,000 hours. **Passed one committee.**

Capital Investment Tax Credit – [SB1878](#) expands the Capital Tax Credit to include certain projects for the development or creation of intellectual property and creates an additional tax credit under the CITC relating to intellectual property projects. **Passed one committee.**

ECONOMIC DEVELOPMENT

PASSED

Visit Florida Extension – The Legislature passed [SB434](#) to postpone the scheduled sunset of Visit Florida (October 2023) for five years (October 2028). The Senate wanted a longer eight year extension, but the House position was ultimately adopted. [Florida TaxWatch research](#) shows that continuous, targeted investment into Florida's tourism marketing is critical to our state's success. We preferred a longer extension (or making it permanent) to provide VF more stability. The House and Senate also agreed on \$50 million in funding in the new budget. The Senate proposed making that funding recurring, but the House position to make it nonrecurring prevailed.

Local Business Protection Act - [SB620](#) will allow business to sue for damages caused by local ordinances. The business must have been in operation in the jurisdiction for at least three years and the ordinance must have caused a reduction in the business's profits of at least 15 percent. The original bill was quite problematic but the bill that passed was much improved, including several [recommendations by Florida TaxWatch](#). The changes reduced the potential costs to taxpayers, moving away from one-way attorney fees, allowing locals governments the chance to repeal or amend the ordinance, and expanding the types of ordinances that are exempt from this new challenge.

DID NOT PASS BUT...

Broadband Access ([SB1800](#)/[HB1543](#)) - The pandemic has proven that Broadband is essential to health, education, and enterprise. Florida must continue working to close the digital divide and especially minimize the impact on Florida's rural communities. [Florida TaxWatch encourages](#) lawmakers to focus on increasing broadband deployment in unserved and underserved communities; providing support for access to infrastructure and poles; supporting the Office of Broadband created within the Florida Department of Economic Opportunity; taking advantage of the funding available through the federal Capital Projects Fund; and advancing strategies to encourage investment, including tax exemptions for broadband equipment. Legislation to create the Broadband Pole Replacement Program looked to be on its way to passage. SB1800 was approved by the full Senate and HB1543 made it to the floor. **The legislation stalled, but the new budget contains \$400 million for the current Broadband Opportunity Program to help deployed broadband to unserved areas.**

Hometown Hero Housing Program – [SB788](#) would have created the Florida Hometown Hero Housing Program to give eligible homebuyers access to loans which reduce down payments and closing costs. Loans

must be repaid when the property is sold, refinanced, rented, or transferred, unless otherwise approved by the Florida Housing Finance Commission. Eligible homebuyers are those seeking first mortgages, having limited family income, and are employed as any of the following: law enforcement officer; correctional officer or correctional probation officer; 911 public safety telecommunicator; firefighter; educator; paramedic or emergency medical technician; licensed health care practitioner; physician assistant or medical assistant; or home health aide. The average salaries for many Hometown Heroes fall short of the \$62,000 needed to afford a median-priced home. **While this legislation only made it through two committees, the budget conference added \$100 million to be “used by the FHFC to establish a Florida Hometown Hero Housing Program to provide down payment and closing cost assistance to eligible homebuyers.”**

DID NOT PASS

Consumer Data Privacy (HB9) - As we did last session, Florida TaxWatch again closely monitored how the Legislature addressed the issue of Consumer Data Privacy. While Florida TaxWatch strongly supports protection of personal information and data, [independent research conducted by the government watchdog](#) notes that costs associated with the consumer data privacy legislation could run between \$6.2 billion and \$21 billion in the first year alone, with an ongoing annual compliance cost of at least \$4.6 billion. Florida TaxWatch also recommended that the costly private right of action provision be removed. HB9 was scaled-back a little, but concerns remained. The bill was approved by the full House, but the Senate never considered it.

Qualified Target Industry Tax Refund Program (QTI) - Since its sunset on June 30, 2020, Florida TaxWatch has been recommending the reestablishment of QTI. This is a proven model that has performed well in Florida. It is a performance-based program

that refunds some of the taxes a business has already paid, but only after it is verified that the contracted requirements have been met, including the promised increase in high-wage jobs. The program is only available to the most sought-after industries with the biggest economic benefit and only those that have not yet decided to locate or expand in Florida. Applicants must have the support—including a shared financial commitment—of the local community where the business is located. And most importantly, the program provides taxpayers with a significant return-on investment of more than 5 to 1—producing more than \$5 of additional state revenue for each dollar the state pays out in refunds. No legislation was filed to reauthorize QTI but [SB800](#) would have created the Rural Opportunity Tax Refund Program, which is based on it, incentivizing the creation of high-quality, high-wage jobs. Florida TaxWatch will continue to [recommend that the 2022 Legislature fully restore the QTI program](#). SB800 passed two committees.

Tourist Development Taxes – Florida TaxWatch opposes the increasing diversion of TDT revenue away from its original purpose--tourism promotion. [HB673](#) would have been a relatively small expansion, allowing seven fiscally constrained coastal counties to use 10 percent of the revenue for public safety. Three other coastal counties already have that option. HB673 made it to its last committee but the Senate companion ([SB1542](#)) was not heard. Legislation that represents a much more significant diversion of TDTs ([HB6075](#)/SB1898) did not go anywhere.

Entertainment Industry Incentives (SB946 and HB214) - These bills would have created a program to encourage the film, television and digital media productions in Florida. This new program would be an improvement of the old one because it better ensures the state makes back its investment, creates jobs for Florida residents, promotes Florida tourism, and pumps additional revenue into local

businesses. A November 2018 TaxWatch report entitled [*Is the Sun Setting on Film in Florida*](#) highlights the critical need to consider incentives for the film and television industry as part of the state's overall economic development strategy. High-budget feature film productions can be expected to spend as much as \$260,000 a day in a community. A weekly television series can be expected to spend as much as \$300,000 a day. SB946 was approved by one committee in the first week of session but then stalled. While support is growing, resistance is still considerable.

EDUCATION

PASSED

Standardized Testing - The much-criticized Florida Standards Assessments will cease to be used next year. [SB1048](#) will replace them with computer-based "progress monitoring" testing. Students will be given progress tests in English/Language Arts (grades 3-10) and Math (grades 3-8) three times a year. The tests at the beginning and in the middle of school year would set benchmarks and the final test would be used for accountability. With progress monitoring, teachers will be able to assess student development in math and language arts throughout the year, change lessons plans to address problem areas and provide remedial education when needed. This is a big improvement over the current standardized testing results, which are released in the summer, after the school year is over. However, some have been critical of the switch, saying that the new system increases testing.

Dorothy Hukill Financial Literacy Act - [SB1054](#) will require that students must earn one-half credit in personal financial literacy and money management in order to receive a standard high school diploma, beginning with students entering grade 9 in the 2022-2023 school year. The bill establishes financial literacy standards within the Next Generation Sunshine State Standards. Financial literacy standards must, at a minimum, establish personal financial literacy and

money management. Florida TaxWatch supports this bill, which is named after the late Senator Dorothy Hukill, previous sponsor of this bill and a good friend to Florida TaxWatch and the Florida taxpayer.

Charter Schools – [SB758](#) makes a number of changes relating to charter schools, including creating a Charter School Review Commission within DOE with the power to solicit, review, and approve applications for charter schools that are overseen by district school boards; revising the terms for charter renewal and the procedures and causes of nonrenewal or termination of a charter; and creating the Florida Institute for Charter School Innovation at Miami Dade College to improve charter school authorizing practices in Florida..

DID NOT PASS BUT...

Effective Access to Student Education Grants (EASE) – HB5201 would have created a tiered award amount structure and minimum performance standards for institutions to be eligible to participate in the EASE tuition assistance program. This would reduce EASE funding for many institutions and students. At its first committee stop, Florida TaxWatch highlighted some concerns with the legislation. EASE grants help to reduce the difference between public and private tuition and make private institutions more affordable. It ultimately reduces the tax burden. The importance of an educated student to the continued growth and diversity in Florida's economy cannot be overstated. We should do everything in our power to increase access to college education. This was a House budget conforming bill. **While the bill did not pass and the tier system was scrapped, funding for EASE was cut by \$39.4 million, reducing per-students awards from \$2,841 to \$2,000.**

DID NOT PASS

EASE Tuition Assistance – Other EASE related legislation ([SB1034](#) and [HB6067](#)) would have expanded the program. The bills would remove the requirement that an eligible private institution be non-profit to participate in the Effective Access to Student Education Grant Program (EASE). This would allow students who qualified for the Access to Better Learning and Education (ABLE) Tuition Assistance Grant Program to be eligible for EASE grants. The ABLE program was eliminated by the Legislature last session. SB1034 also requires that for-profit institutions have a Level 6 accreditation (offering at least four doctorate programs) from the Commission on Colleges of the Southern Association of College and Schools.

ENVIRONMENT

PASSED

Resiliency/Sea Level Rise - Accelerated rates of sea level rise will have profound effects on Florida's coastal ecosystems and will add to Florida's vulnerability to hurricane storm surge, which poses the greatest threat to lives and property. Sustained global warming will likely result in more frequent and intense hurricanes. Prior to session, Florida Tax Watch [released a report](#) to help taxpayers and policymakers better understand the effects of climate change on each sector of Florida's economy, and to recommend reasonable ways to mitigate those impacts. Looking to build on initiatives from last session, the 2022 Legislature passed [HB7053](#) to establish the Statewide Office of Resilience within the Governor's Office and a Chief Resilience Officer, who is appointed by and serves at the pleasure of the Governor. DOT is required to develop a resilience action plan for the State Highway System. Resilient Florida Grant Program funds would also be authorized to fund preconstruction activities in small cities and counties for projects in the Statewide Flooding and Sea-Level Rise Resilience Plan and changes the \$100 million cap in Plan funding to a minimum of \$100

million. Noncoastal communities must perform a rainfall-induced flooding assessment.

Inventory of Critical Wetlands - [SB882](#) requires water management districts, in cooperation with local governments, to develop a list of critical wetlands to be acquired through the Land Acquisition Trust Fund. The bill provides the following criteria to determine if a wetland is critical: the effect of the wetland on water quality and flood mitigation; the ecological and ecosystem restoration value of the wetland; and the susceptibility of the wetland to development.

DID NOT PASS

Saltwater Intrusion Vulnerability Assessments - [SB1238](#) and [HB1019](#) amend the Resilient Florida Grant Program provide grants to coastal counties to fund the costs of saltwater intrusion vulnerability assessments. Costs are 50/50 cost-share and small counties are exempt from cost-share requirements.

Blue-Green Algae Task Force - [SB832](#) would have implemented two task force recommendations. One directs the Department of Environmental Protection to administer a septic system inspection program with a five-year inspection cycle and a 10-year phase-in giving priority to counties in critical springs areas. The other requires basin management action plans (BMAPs) to include a prioritized list of spatially focused suites of projects in areas likely to yield maximum pollutant reductions. Florida TaxWatch's report, [We Can't Wait on Water](#), encouraged the Legislature to implement the recommendations of the Task Force, created in 2019 to expedite reduction of nutrient pollution and cyanobacteria blooms in the state. SB832 stalled in its last committee stop: Appropriations.

CRIMINAL JUSTICE

PASSED

Juvenile Arrest Record Expunction – [HB195](#)

provides for criminal record expunction when a juvenile successfully completes a diversion program for any offense except forcible felonies or offenses committed with a weapon. Current law allows this only for misdemeanors. The decision to refer a juvenile to a diversion program remains at the discretion of either the law enforcement officer who interacts with the juvenile at the time of the offense or the state attorney assigned to the case. HB195 was approved by all its committees and both chambers without a single “no” vote. [Read Florida TaxWatch testimony on this legislation.](#)

Incentives for Education and Employment – [SB752](#) will incentivize educational and employment achievement by awarding a 60-day reduction in the term of supervision for a probationer or offender in community control who completes an educational advancement activity during his or her term of supervision. A 30-day reduction for having a job (at least 30 hours/week) for six months will also be available. [Read Florida TaxWatch testimony on this legislation.](#)

Education of Student Inmates - [SB722](#) authorizes the Department of Corrections and county and municipal detention facilities to contract with a Florida College System institution to provide education services to its inmates. The bill provides that state funds for the operation of postsecondary workforce programs may be expended on a state inmate with 24 months or less remaining on his or her sentence.

Emergency Preparedness and Response Fund – [SB96/98](#) created this fund that can be used in a declared emergency at the Governor’s sole discretion. Originally funded with \$1 billion, the amount was reduced to \$500 million. There is a difference of opinion among opponents and supporters as to whether

the bill would give governors more or less power. This bill has already been signed by the Governor.

DID NOT PASS

Sentencing - The adoption of mandatory minimums in Florida and other states in the 1990s resulted in huge increases in prison populations and their associated costs to our state and the nation. While mandatory minimums ensure that serious offenders will serve longer sentences, they also mean that all applicable offenses are subject to the same, objective treatment, often tying judges’ hands. This can result in sentencing individuals struggling with substance abuse issues to the same lengthy prison terms as violent offenders. [Florida TaxWatch research has long-supported a “Judicial Safety Valve,”](#) which authorizes judges to exercise judicial discretion and deviate from mandatory minimums in certain low-level criminal cases. We commended the Legislature on its changes to mandatory minimums in 2016 and 2019. [SB276](#) would have extended these good changes to more people by making them retroactive, which increases the equity of Florida’s sentencing laws. The process the bill created to determine if an inmate qualifies for possible resentencing and requiring that inmate to petition the original sentencing court for a resentencing hearing provided safeguards. For the second session in a row, this legislation died in committee.

Long-term Inmate Reintegration Program – [HB169](#) would have created this program for parole-eligible inmates. The program would provide evidence-based programming to inmates within three years of their parole release. To participate in the program, inmates must be serving a parole-eligible sentence and be referred by the Florida Commission on Offender Review. Priority would be given to parole-eligible inmates but those serving a parole-ineligible sentence may be considered on a case-by-case basis. To successfully complete the program, the participant would have to complete at least 250 hours

of community service projects; participate in at least 100 hours of enrichment programs; and complete an evidence-based curriculum, which addresses topics including anger management, criminal thinking, educational and vocational needs, family relationships, lifestyle and wellness, substance use disorder treatment, and victim impact. Upon successful completion, an inmate shall be awarded a certificate of completion, however, this does not guarantee that he or she will be paroled.

HEALTH & AGING

PASSED

COVID-19 Liability Protections for Health Care Providers (SB7014) - Last session, Florida TaxWatch released an independent research report entitled [*The Best Defense Is A Good Offense: The Economic Impact of Protecting Responsible Floridians from COVID-Related Civil Liability*](#). Our report highlighted the critical economic need for the protections. We commend the Legislature for its rapid response on this issue last session, but the protections for health care would have expired on March 29, 2022. Extension was critical. Responsible healthcare workers and facilities who are acting in good faith to comply with public health directives, and who must make extremely difficult decisions under trying and uncertain circumstances, must have comfort that they will be able to provide treatment and care without fear of opportunistic, predatory, and expensive litigation. The bill extends the protection through June 1, 2023. SB7014 was quickly signed by the Governor.

Telehealth (HB17/SB312) – Florida TaxWatch has long-recommended removing barriers to expansion of telehealth in Florida. The original SB312 would have included audio-only phone calls in the definition of telehealth and expanded the types of drugs authorized to be prescribed by telehealth. HB17 only included the drug provision. The full Senate approved its bill, but the House amended it to remove the audio-only

phone calls provision, despite the value of such calls during the pandemic. After the bill sat in messages for two weeks the Senate relented and passed the bill with only the prescribing provision. A bill (SB330) to authorize the Agency for Health Care Administration to reimburse for remote patient monitoring and store-and-forward services as optional services in the Florida Medicaid program, subject to specific appropriations, **did not get past its second committee.** [See Florida TaxWatch testimony on the Telehealth legislation.](#)

Human Trafficking - At least a dozen bills were filed this session to help combat the scourge of human trafficking. [HB615](#) requires the Statewide Council on Human Trafficking to assess the extent to which social media platforms are used to facilitate human trafficking in Florida, establish a process to detect this use and make recommendations on how to prevent social media from being used for such purposes. It also requires the Florida Alliance to End Human Trafficking to develop training on the recognition and reporting of human trafficking for firesafety inspectors and requires foster parents, as a condition of licensure, and agency staff to successfully complete preservice training related to human trafficking. In addition, [SB898](#) was amended on the floor to prohibit a public lodging establishment from offering a hourly rate. [Read Florida TaxWatch's op-ed on why human trafficking is not only a moral issue.](#)

Alzheimer's Education - SB806 establishes the "Ramping up Education of Alzheimer's Disease and Dementia for You (READY) Act." The bill requires the Department of Health to use existing, relevant public health and community outreach programs to educate health care practitioners on Alzheimer's disease and dementia-related disorders. This includes the use of a validated cognitive assessment tool, the effectiveness of the Medicare annual wellness visit in detecting ADRD, and reducing the risk of cognitive decline, particularly among persons in diverse communities who are at

greater risk of developing the disease.

[Past Florida TaxWatch research](#) has shown in addition to the toll Alzheimer's places on individuals and families, the growth of the disease has fiscal implications for the state and its taxpayers, and we support increased Alzheimer's research and education.

DID NOT PASS

Human Trafficking – While [HB615](#) and [SB898](#) did pass (see above), a number of bills relating to human trafficking did not. Amendments were plentiful as provisions floated between bills. The Human Trafficking Reduction Act ([SB772](#)/ [SB1852](#)/ [HB1439](#)) would have expanded the provision that allows victims of human trafficking to petition for the expunction of certain charges from their criminal records and increased the penalties for soliciting or enticing a person to commit prostitution and for purchasing prostitution. It also would have created the Statewide Data Repository for Anonymous Human Trafficking Data and required the University of South Florida Trafficking in Persons-Risk to Resilience Lab to work with law enforcement and required reporting entities to collect, analyze, and distribute data relating to human trafficking in Florida.

GOVERNMENT EFFICIENCY AND ACCOUNTABILITY

PASSED

Local Business Protection Act - [SB620](#) will allow business to sue for damages caused by local ordinances. The business must have been in operation in the jurisdiction for at least three years and the ordinance must have caused a reduction in the business's profits of at least 15 percent. The original bill was quite problematic but the bill that passed was much improved, including several [recommendations by Florida TaxWatch](#). The changes reduced the potential costs to taxpayers, moving away from one-way attorney fees, allowing local governments the chance to repeal

or amend the ordinance, and expanding the types of ordinances that are exempt from this new challenge. The Florida TaxWatch report concluded that the bill could bring about unintended consequences and secondary fiscal impacts for taxpayers. Florida is already an extremely litigious state, and our research shows the legislation could lead to a number of financially motivated and malicious lawsuits, costing local governments over \$900 million annually, a cost that would be borne by taxpayers.

Legal Notices – [HB7049](#) will end the requirement that local governments must publish meeting and other legal notices in a newspaper. Local governments will now have the option of instead posting the notices on their website. [We have pointed](#) out that there are a significant number of Floridians that still live in internet deserts and that compromising the access to legal notices compromises accountability

DID NOT PASS

Business Impact Estimates and Challenging

Ordinances - [SB280](#) and [HB403](#) would have required local governments to provide an estimate of the impact of a new regulation on local businesses. This became a very good idea after amendments reduced the fiscal burden of producing the estimate and removed the provision that the court must consider the estimate in challenge to an ordinance as being arbitrary or unreasonable. Other improvements include allowing two-way attorney fees and providing possible sanctions for frivolous lawsuits. However, the bill still requires an ordinance to be suspended if challenged. While local governments should always consider the impact of proposed ordinances on local businesses, this legislation, like SB620 (above), [would increase litigation and potential costs to the taxpayer](#). The Senate passed its bill and the House bill made it to the floor neither ultimately were approved.

Government Accountability – [HB1541](#) would have required the states inspectors general to make a reasonable probability determination within six months of initiating an investigation of fraud, waste, abuse, mismanagement, or misconduct in government. When such determination is found, the applicable inspector general must report it to the Legislative Auditing Committee (LAC). Any public official, independent contractor, or agency employee responsible for the fraud, waste, abuse, mismanagement, or misconduct in government is liable for repayment of the funds diverted or lost. The finding can be challenged in an administrative hearing. The bill authorized the Chief Financial Officer (CFO) to conduct an investigation based on a complaint from any source, including a state employee or contractor. The bill also explicitly authorized an employee of a state agency or state contractor who has knowledge of suspected misuse of state funds to report such information to the CFO. The bill required the CFO to forward to the LAC suggestions and information submitted through the state’s “Get Lean” hotline and provided a financial incentive for agency employees to file “Whistle-blower’s Act” complaints and participate in investigations that lead to the recovery of funds. The bill also prohibits most state employees from lobbying for funding for a contract and participating in the awarding of such contract. HB1541 was approved unanimously by the House but there was no Senate companion bill.

Centralized Fleet Management – Florida TaxWatch has for years [recommended](#) the state implement a centralized vehicle management system to save significant taxpayer dollars. [HB1591](#) and [SB906](#) would begin the process. The bills would have required the Department of Management Services to prepare an inventory of all-state owned motor vehicles, maintenance facilities, and fuel depots. They would also have created a pilot project that would assess the potential for cost savings through a contract with a vendor or contractor for privatizing the management and operation of state-owned motor vehicles, motor

vehicle acquisitions and dispositions, maintenance facilities, and fuel operations. Both bills were approved in committee but then stalled.

BUDGET

Budget Totals \$112.1 billion - This is a 10.2 percent increase over current spending and does not include the \$4.5 billion in federal funds from the American Rescue Plan’s fiscal recovery fund (see below). This budget is record in size, as budgets usually are. More remarkable is that the \$43.7 billion in General Revenue (GR) spending is an increase of nearly 20 percent.

Federal Coronavirus State Fiscal Recovery Fund – Although it was not included in either chambers’ budget or discussed publicly, at the end of the budget conference the House offered a spending plan for the \$4.5 billion in federal funds yet to be received by the state, which the Senate accepted. The spending includes \$1.4 billion for higher education maintenance and construction projects, \$400 million for the Broadband Opportunity Program, and \$300 million for land acquisition. Two of the Governor’s priorities were also included, although not as much as he recommended--\$50 million for the Job Grant Growth Fund and \$200 million to replace transportation revenue lost from a month gas tax holiday ([See the full list](#)).

Reserves – The legislature left nearly \$10 billion in GR reserves, including \$1 billion in the new Inflation Fund (see below). There is \$5.3 billion in unallocated GR, \$3.5 billion in the Budget Stabilization Fund and \$500 million in the new Emergency Preparedness and Response Fund, which the Governor will control in an emergency.

State Employee Pay Raises – The budget includes a 5.38 percent across-the-board state employee pay raise and a \$15 per hour minimum wage for state employees and many contracted services providers. In addition to the across-the-board increase, targeted pay hikes were provided to various state employee positions, including

law enforcement and correctional officers, firefighters, veteran home nurses and assistant public defenders and state attorneys.

Public Schools (FEFP) - Total funding for the Florida Education Finance Program is \$24.3 billion, including \$10.7 billion in local funds, an increase of 7.5 percent. Per student funding is increased from \$7,758. to \$8,142, a 4.96% increase. This includes \$800 million (\$250 million increase) to continue increasing the minimum salaries of teachers to \$47,500. The Legislature also provided increases in the Safe Schools (\$30 million), Mental Health (\$20 million), and Reading Instruction (\$40 million) allocations.

Higher Education – Base funding for colleges was increased by \$55 million and \$105 million is provided for nursing education initiatives. Colleges and universities will also get \$1.6 billion for fixed capital outlay needs.

Medicaid

- Caseload and price levels increases - \$2.2 billion
- \$15 minimum wage for Medicaid providers and nursing homes - \$486 million
- Specialty Children's Hospitals - \$84.9 million
- Florida Cancer Hospitals - \$50.2 million
- Program of All-Inclusive Care for the Elderly (PACE) - \$82.7 million

Agency for Persons with Disabilities

- Direct Service Provider Rate Increase - \$403 million
- Home and Community Based Services Waiver Waitlist - \$59.6 million

Department of Children and Families

- Community Based Care Funding Increase - \$158.4 million
- Foster Care Child Daycare Subsidy - \$24.9 million
- Fatherhood Engagement and Family Involvement Programs - \$31.8 million
- Maintenance Adoption Subsidies - \$10.1 million

- Community Based Behavioral Health - \$211.1 million

Department of Health – The budget provides \$37.7 million for the Casey DeSantis Cancer Research Program and \$20.0 million annually for 30 years for the Lee Moffitt Cancer Center and Research Institute' new life sciences park in Pasco County.

Environmental Protection

- Everglades Restoration - \$885.9 million
- Water Quality Improvements - \$782.4 million
- Flood and Sea-Level Rise Program - \$470.9 million
- Alternative Water Supply - \$50 million
- Springs Restoration - \$75 million
- Florida Forever Programs and Land Acquisition - \$168.7 million
- Beach Management Funding Assistance - \$50 million
- State Parks Maintenance and Repairs - \$239.5 million
- State Park Beach Projects - \$55 million

Corrections – The department will build a new 4,500-bed prison (\$650 million) and a new 250-bed inmate hospital (\$200 million).

Economic Development

- Affordable Housing - \$362.7 million
- VISIT Florida - \$50.0 million
- Job Growth Grant Fund - \$50.0 million
- Broadband Opportunity Program - \$400.0 million
- Transportation Work Program - \$11.6 billion

Unprecedented Number of Member Projects – Not surprisingly, with all the non-recurring general revenue available this year, the budget is chock-full of local appropriations projects, known as member projects. The Senate budget proposed nearly 900 projects worth a whopping \$1.5 billion and the House included approximately 660 projects worth \$500 million. The final budget tally got even bigger: 1,221 projects worth more than \$2.7 billion. Last year, the budget contained 675 member projects worth \$560 million.

had \$137 million member requests while the Senate had \$360 million.

Inflation Fund - One of the House budget conforming bills ([HBS011](#)) created the Budgeting for Inflation that Drives Elevated Needs (BIDEN) Fund to cover increased costs when they exceed appropriations in the General Appropriations Act. The bill required the transfer of \$2 billion from General Revenue to the new fund. The Senate amended the bill to eliminate the required funding and change the name to the more basic, but more dignified, name--the Inflation Fund. The budget appropriates \$1.0 billion for the fund.

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.

FLORIDA TAXWATCH RESEARCH LEADERSHIP

Dominic M. Calabro	<i>President & CEO</i>
Tony Carvajal	<i>Executive Vice President</i>
Robert G. Nave	<i>Sr. VP of Research</i>
Kurt Wenner	<i>Sr. VP of Research</i>
Steve Evans	<i>Senior Advisor</i>

FLORIDA TAXWATCH VOLUNTEER LEADERSHIP

U.S. Senator George LeMieux	<i>Chairman</i>
Piyush Patel	<i>Chairman-Elect</i>
James Repp	<i>Treasurer</i>
Marva Brown Johnson	<i>Secretary</i>
Senator Pat Neal	<i>Imm. Past Chairman</i>


RESEARCH PROJECT TEAM


Tony Carvajal	Executive Vice President	
Kurt Wenner	Sr. Vice President of Research	<i>Author</i>
Chris Barry	Vice President of Communications & External Affairs	<i>Design, Layout, Publication</i>


All Florida TaxWatch research done under the direction of Dominic M. Calabro, President, CEO, Publisher & Editor.



Stay Informed

 floridatxwatch.org

 [@floridatxwatch](https://www.facebook.com/floridatxwatch)

 [@floridatxwatch](https://twitter.com/floridatxwatch)

 [@fltaxwatch](https://www.youtube.com/fltaxwatch)

Florida TaxWatch
106 N. Bronough St.
Tallahassee, FL 32301

o: 850.222.5052
f: 850.222.7476

Copyright © March 2022
Florida TaxWatch
Research Institute, Inc.
All Rights Reserved

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.

The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, Executive Committee, or Board of Trustees; and are not influenced by the individuals or organizations who may have sponsored the research.