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Memo

To: Carol Westmoreland

From: William J. Peebles and Karen M. Peterson

Date: March 14, 2012

Re: End-of-Session Report

We are pleased to report the following outcome of our efforts during the 2012 Legislative Session for the Florida Redevelopment Association. This was a year in which special districts, including CRAs, were under attack, so our efforts were largely defensive, but successful nonetheless.

- **Special District Review.**

Special districts, including CRAs, have been in the cross-hairs of legislative and executive review since last year. Starting during the 2011 Session with the review by the House Finance & Tax Committee of the number of special districts and their taxing authority—viewed by some legislators in leadership positions as “hidden” taxes—the threat of legislative action became more real over the summer as a result of the Governor’s executive order creating a commission to review hospital and healthcare special taxing districts, in particular. The rumor (and risk) was that this would be expanded to include all types of districts. We met early last fall with the Governor’s legislative affairs director to educate him on the unique operations and purposes of CRAs. While the Governor did not proceed with any legislation in 2012, except that dealing with the sale or lease of district hospitals, he has announced his intention to review all special districts during the interim (A copy of his executive order is attached.) Obviously, we will stay close to that initiative to make sure that CRAs receive appropriate and fair review and may be reaching out to you for additional information to help in that effort.

- **CRA Governance and Dissolution (HB 547/SB 840)**

Although drafted to resolve a local problem of Miami-Dade County with a number of its CRAs, this legislation established terrible precedent that would allow county governments unilaterally to abolish CRAs and to require comprehensive audits beyond the requirements currently in statute. Despite assurances from the sponsor that he would not move the bill beyond its first committee of reference, the bill was taken up in a second committee where, with the leadership of FRA, its lobbying team, and a coalition of lobbyists and officials from CRAs throughout the state, the bill was killed on a 12-12 tie vote. This was a tremendous victory for FRA and a great success for the grassroots advocacy efforts of its members.

- **Hospital and Healthcare District Carve Out**

An issue from 2011 surfaced again this year. In 2011 we discovered and successfully removed language from the Medicaid reform bill that would have limited funds generated by public hospitals and healthcare districts with taxing authority from being used for purposes other than healthcare. This would have effectively carved them out from any local requirement to contribute to a community redevelopment trust fund. The amendment surfaced again this year as a potential amendment to an otherwise noncontroversial bill dealing with special district dissolution and merger. Again, working with the support of the FRA staff and membership and coordinating with other lobbyists representing CRAs around the state, we were successful in preventing the proponents of the amendment from finding a sponsor willing either to offer or to accept the language on a bill. This was a cat and mouse game of sorts that lasted throughout the final weeks of session as we searched for amendments, anticipated “plays,” i.e. potential options the proponents might have for accomplishing their goals, and then developed and implemented strategies to take out those “plays.” We have encouraged the hospital promoting the language to try to work the issue out locally, but we would not be surprised to see this issue rise again in 2012.

- **Business Improvement District (BID) Elections**

Another returning issue from 2011 is the issue of voting requirements for approving special assessments within BIDs. Specifically, the language would clarify that approval would be based on a majority of property owners voting in an election v. a majority of all affected property owners whether or not they vote. We were successful in getting the language on a bill late last session, but the bill died for lack of a companion. The language was again included in the bill when it was refiled for considered this year, but later stripped out when the House narrowed the focus of the bill to its original purpose—to address issues involving local entities that are in a state of financial emergency. Despite the initial setback, we again were able to find a bill to amend with the language and received the approval of the House and Senate bill sponsors and the proponent of the underlying bill. The amendment was filed in the House as a floor amendment to the special district consolidation bill mentioned previously, but was later withdrawn by the sponsor when he was advised that it was going to be ruled out of

order by the Rules Chair as unduly expanding the scope of the bill. With no other bills “in play” that we could amend, the issue died for 2012.

- **Miscellaneous**

Legislation to create a storm water permitting process within designated CRAs that would encourage redevelopment according to a long term master plan died for the second year in a row. (HB 373/SB 602)

Legislation authorizing certain local governments with an existing enterprise zone to designate a sales tax TIF area also failed. Purportedly intended to provide support for a high end commercial development in Dade County, the legislation applied only to municipalities with a population of 300,000 or more, or counties with a minimum population of 1.2 million, and only to retail projects of a minimum 300,000 sq. ft. that create at least 500 jobs and generate more than \$1 million in additional tax revenues that are distributed pursuant to the Municipal Revenue Sharing Program. One industry analyst estimated that, in fact, 4 to 6 sales tax TIF areas could be created statewide, generating estimated maximum incremental local revenues of \$26 - \$38 million. The legislation creates additional authority for a governing body with a sales tax TIF to use the funds to finance public improvements that will foster job growth and support the base of retailers within the enterprise zone. Areas that may be included within a sales tax TIF expressly exclude areas within a designated CRA. An attempt on the last day of session to amend the bill on to the DOR tax package was rejected and the amendment withdrawn. (HB 595/SB 1022)

Senator Bullard’s bill to expand the definition of “blighted area” to include land previously used as a military facility passed the Senate but died for lack of action in the House. Noteworthy this year was an attempt by the sponsor of the sales tax TIF bill described above to amend it on to Senator Bullard’s bill. The amendment was ultimately withdrawn and the bill passed “clean.” (HB 595/SB 1022)

We have enjoyed representing you during the 2012 Session, and look forward to working with you again in the coming year.