



FLORIDA 2016 POLITICAL OVERVIEW AND LEGISLATIVE FORECAST

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Following a summer marked by three special legislative sessions, Governor Rick Scott and Florida legislators are now preparing for the start of the 2016 Regular Session on January 12th. In 2014, the Legislature approved language to the start date of the 2016 session from early March to January.

Previously, the Legislature met in January only when drawing new Congressional and legislative districts every ten years. Florida's constitution requires the session, in odd-numbered years, to start on the first Monday after the first Tuesday in March but is silent on even-numbered years. It remains to be seen if the trend of beginning session earlier will continue.

In December, the Florida Supreme Court approved the new Congressional map drawn by a lower court. Even if it is challenged in federal court by members of Florida's Congressional Delegation, it is likely to be the map used in the 2016 election. The new map spells trouble for the re-election efforts of three current members - U.S. Representatives Gwen Graham (D-Tallahassee), Dan Webster (R-Winter Garden) and David Jolly (R-Indian Shores). Although, Congressman Jolly is now running for the U.S. Senate seat vacated by Presidential candidate Marco Rubio.

For the state's Senate map, a circuit court is nearing a decision on whether the map sent to the Florida Supreme Court for final approval will be the Senate's plan, another submitted plan, or a combination thereof. The circuit court received this task after the House and Senate could not reach a compromise during a fall special session.

Senate leadership asserted that regardless of the district changes made in the maps, which were declared unconstitutional months ago, only senators currently up for re-election in 2016 (even-numbered districts) would have to run again. The House disagreed, citing a 1982 court opinion and a 2012 ruling from the Florida Supreme Court which seems to affirm that when the Legislature redraws the district maps, every member with a revised district would be required to run for re-election.

During the last election cycle, Republican Governor Scott defeated former Governor Charlie Crist, running as a Democrat, by a small margin. Further, the Republican Cabinet - Attorney General Pam Bondi, Chief Financial Officer Jeff Atwater, and Commissioner of Agriculture Adam Putnam, were elected for another four years. Republicans took six House seats from the Democrats, regaining the two-thirds, veto-proof majority of 81 to 39. In the Senate, the GOP maintained their 12-member majority of 26 to 14. However, in a Presidential election year, it is difficult to predict the effect federal races will have at the state level.

In addition to ushering in a new U.S. President and several new members of Congress, the November 8th general election provides opportunity for Democrats to gain seats in the Florida Legislature. There is an assumption that House Democrats will increase their numbers as 13 Republicans and eight Democrats have reached their eight-year term limit. In the Senate, where the difference between Republicans and Democrats is less pronounced, four Republicans and four Democrats are termed out of office. The final makeup of the Senate will depend upon which Senate map is ultimately approved by the Florida Supreme Court.

LEGISLATIVE FORECAST

The Governor's Office. Florida's budget, according to state economists, is expected to have a \$635.4 million surplus for Fiscal Year 2016-17. However, the Governor's budget office, primarily responsible for crafting his budget proposal, suggested a "more accurate" surplus estimate is \$1.6 billion. On the heels of that announcement, Governor Scott released his proposed \$79.3 billion spending plan which includes recommendations for \$1 billion in tax cuts. Those proposed cuts, which have been met with mixed reviews by legislators, include the following:

- Eliminating the income tax on manufacturing and retail businesses;
- Removing a tax on manufacturing equipment;
- Reducing the commercial lease tax;
- Extending a temporary elimination of sales taxes on college textbooks;
- Establishing sales-tax "holidays" for back-to-school and hurricane supplies; and
- Reducing the corporate income tax.

Highlights of the Governor's spending plan include:

- \$20.2 billion for K-12 education and increased funding for State Colleges and Universities;
- \$250 million for a newly-proposed Florida Enterprise Fund to lure businesses to the state;
- \$907 million for land and water programs from documentary stamp tax revenues including a dedicated funding source for the Everglades at \$5 billion and a dedicated funding source for Florida springs at \$1.6 billion over the next 20 years; and
- Saving \$202.3 million by eliminating an automatic increase in Medicaid hospital rates.

The Medicaid hospital rate proposal coincides with an impending reduction of the Low Income Pool (LIP) funding which reimburses health care providers for uncompensated care for Florida's uninsured and underinsured. This issue, tied to whether or not eligibility should be expanded in the state's Medicaid Program, led to the derailment of the 2015 Regular Session.

The Florida Senate. In his final year, the priorities of Senate President Andy Gardiner's (R-Orlando) remain somewhat similar to those in his first year. He remains committed to increasing educational and employment opportunities for special needs students. House Speaker Steve Crisafulli (R-Merritt Island) recently signaled support of this initiative after it was cut short with an early close to the 2015 Regular Session. Other Gardiner priorities include:

- Developing a comprehensive state water plan, a 2015 priority of Speaker Crisafulli, which includes everglades and springs cleanup strategies and water supply policies for growers and developers; and
- Providing additional tax cuts to Floridians, although the President has stopped short of embracing the \$1 billion tax cut goal being touted by Governor Scott.

President Gardiner has not expressed any desire to run for higher office and has stated his plans are to return to work in his home district when his term ends in November. It is rumored that his wife, Camille, may run for his seat.

Florida House of Representatives. With the recent announcement that Speaker Crisafulli and Senate President Gardiner are on the same page for increasing resources for special needs children and developing a comprehensive water plan, insiders hope for a less contentious session in 2016. Speaker Crisafulli also wants to advance additional tax cuts for Floridians, but has not commented on the amount being requested by the Governor. The Speaker is planning to run for Agriculture Commissioner in 2018 when current Commissioner Putnam is expected to throw his hat in the race for Governor.

LEGISLATIVE ISSUES EXPECTED IN 2016

In every legislative session, there are high-profile issues that, many times, can affect the outcome of legislation completely unrelated to those matters. Some of the issues that we expect this session include:

Guns. A proposal that would allow concealed weapon permit holders to openly carry their firearms is gaining momentum with the announcement that the Florida Police Chiefs Association may support the proposal. That support, however, is contingent on changes being made to the bill to protect law officers, such as requiring holsters for openly carrying firearms. Other proposals expected to move this session include allowing university students to carry a gun on college campuses and banning the shooting of a firearm in residential areas.

Gambling. The Governor inked a \$3 billion compact with the Seminole Tribe this month; but, the agreement must be approved by the Legislature. Changes are expected during the session, one of which may be the controversial issue of “decoupling” dog and horse racing at the state's pari-mutuel facilities.

Student Testing. A proposal moving in the Senate would remove a requirement that school districts develop exams for subjects not covered by a statewide assessment. It would also cap the number of hours students can spend on standardized tests. The proposal is a result of continued problems associated with the Florida Standards Assessment (FSA), including technical problems with the state’s newly debuted online examinations system.

Medical Marijuana. Legislators have expressed their disappointment with the 18-month delay in implementing the Charlotte’s Web law which was approved in 2014. The law allows for the medical use of a non-euphoric strain of marijuana associated with certain physical conditions. Recently, the Department of Health chose five nurseries to grow the approved cannabis, but the awards are being challenged. It remains to be seen if the Legislature will make any changes to the current law.

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