

Committee on Judiciary

CS/SB 620 — Local Business Protection Act

by Appropriations Committee and Senator Hutson

The bill creates the “Local Business Protection Act.” It creates a cause of action for an established business to recover loss of business damages from a county or municipality whose regulatory action has caused a significant impact on the business.

Currently, landowners have a cause of action under the Bert J. Harris Act to compensate them for the lost value of their land caused by certain local government actions; landowners have a cause of action for onerous local regulation in the form of exactions; and business landowners have a cause of action under eminent domain law for business damages related to a taking of real property. Similarly, this bill creates a cause of action for a business to sue a local government when the enactment or amendment of an ordinance or charter provision causes at least a 15 percent loss of profits to the business. The business must have been in operation for at least 3 years to qualify.

Business damages recoverable are the probable damages to such business which the application of the enactment or amendment of the ordinance or charter provision may reasonably cause. Numerous exceptions protect local governments. Notably, an ordinance or charter amendment in response to an emergency or that involves growth management, budget, or procurement matters, or one that promotes economic competition, do not lead to liability. A local government can also avoid liability by timely amending or repealing the local government actions causing business damages. A claimant must comply with a 180-day presuit notice and settlement period. Prevailing party attorney fees may be awarded.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 22-14; House 69-45