

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

COMMUNITY AFFAIRS
Senator Lee, Chair
Senator Clemens, Vice Chair

MEETING DATE: Tuesday, March 14, 2017
TIME: 10:30 a.m.—12:00 noon
PLACE: 301 Senate Office Building

MEMBERS: Senator Lee, Chair; Senator Clemens, Vice Chair; Senators Bean, Brandes, Campbell, Perry, Rodriguez, and Simmons

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 68 Commerce and Tourism / Grimsley (Similar H 173)	Tourist Development Tax; Authorizing counties imposing the tourist development tax to use those tax revenues for auditoriums that are publicly owned but operated by specified organizations under certain circumstances, etc. CM 01/23/2017 Fav/CS CA 03/14/2017 Favorable AFT AP	Favorable Yeas 7 Nays 0
2	SB 880 Stargel (Similar CS/H 479)	Government Accountability; Specifying that the Governor, the Commissioner of Education, or the designee of the Governor or of the commissioner may notify the Legislative Auditing Committee of an entity's failure to comply with certain auditing and financial reporting requirements; authorizing the Auditor General to conduct audits of tourist development councils and county tourism promotion agencies; requiring counties and municipalities to maintain certain budget documents on the entities' websites for a specified period, etc. CA 03/14/2017 Fav/CS AP RC	Fav/CS Yeas 7 Nays 0
3	CS/SB 190 Regulated Industries / Artilles (Similar CS/CS/H 241)	Low-voltage Electric Fences; Providing requirements for a low-voltage electric fence to be permitted as a low-voltage alarm system project, etc. RI 02/08/2017 Fav/CS CA 03/14/2017 Fav/CS RC	Fav/CS Yeas 7 Nays 0
4	SB 948 Stewart (Similar H 717)	Assessment of Properties Affected by Imported or Domestic Drywall; Extending the expiration date of provisions specifying requirements for property appraisers to adjust assessed values of certain properties that are affected by certain imported or domestic drywall, etc. CA 03/14/2017 Favorable AFT AP	Favorable Yeas 7 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Community Affairs

Tuesday, March 14, 2017, 10:30 a.m.—12:00 noon

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
5	SB 854 Brandes (Identical H 1013)	Task Force on Affordable Housing; Creating a task force on affordable housing; requiring members of the task force to serve without compensation; directing the task force to develop recommendations for the state's affordable housing needs, subject to certain requirements, etc. CA 03/14/2017 Fav/CS AP RC	Fav/CS Yeas 7 Nays 0
6	SB 860 Brandes (Similar H 909)	Building Code Administrators and Inspectors; Creating an internship path to certification as an inspector or plans examiner; requiring the board to authorize specified candidates for certification as building code inspectors or plans examiners to perform duties during a specified period after initial application, to apply for a 1-year provisional certificate under certain circumstances, and to apply for standard certification within a certain time before completing the internship period, etc. CA 03/14/2017 Fav/CS RI RC	Fav/CS Yeas 6 Nays 0

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/SB 68

INTRODUCER: Commerce and Tourism Committee; and Senators Grimsley and Latvala

SUBJECT: Tourist Development Tax

DATE: March 13, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Askey	McKay	CM	Fav/CS
2.	Cochran	Yeatman	CA	Favorable
3.			AFT	
4.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 68 allows counties to use revenue derived from local option tourist development taxes to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote a publicly owned auditorium that is operated by a tax-exempt, non-profit organization.

II. Present Situation:

Tourist Development Taxes

Florida law permits counties to impose local option transient rental taxes on rentals or leases of accommodations for a term of six months or less.¹ The taxes are generally referred to as “tourist development taxes,” but consist of several separate levied taxes.

- **1 or 2 Percent Tax:**² This tax may be levied by the county’s governing board at a rate of 1 or 2 percent on the total amount charged for transient rental transactions.
- **Additional 1 Percent Tax:**³ This tax may be levied by the county’s governing board, in addition to the 1 or 2 percent tax on the total amount charged for transient rental transactions. Eligibility to levy the tax requires that a county must have levied the 1 or 2 percent tax for at least 3 years.

¹ Section 125.0104, F.S.

² Section 125.0104(3)(c), F.S.

³ Section 125.0104(3)(d), F.S.

- **High Tourism Impact Tax:**⁴ A county with high tourism impact may levy an additional 1 percent tax on the total amount charged for transient rental transactions.⁵
- **Professional Sports Franchise Facility Tax:**⁶ In addition to any other tourist development taxes, a 1 percent tax on the total amount charged for transient rental transactions may be levied to pay debt service on bonds issued to finance professional sports franchise facilities, retaining spring training franchise facilities, and convention centers. These funds can also be used to promote tourism in the state.
- **Additional Professional Sports Franchise Facility Tax:**⁷ Counties that levy the professional sports franchise facility tax may levy an additional tax no greater than 1 percent to be used for the same purposes.

Depending on a county's eligibility, the maximum tax rate varies from 3 to 6 percent. These local option taxes can be administered by the Department of Revenue or by one or more unit of local government. These taxes may be levied within a subcounty special district. If the tax is levied in a subcounty special district, the subsequent additional taxes must be levied only in that district.⁸

As a requirement for adopting tourist development taxes, a county's tourist development council⁹ must prepare a plan for tourist development and present it before the governing board of the county. The plan must include the anticipated revenue derived from the tax for the first 24 months, the tax district where it will be imposed, and a list prioritizing the use of the revenue. Any changes to the plan after the levy has been enacted must be voted upon by the county's governing board.¹⁰

The revenues may be used for capital construction of tourist-related facilities, tourism promotion, and beach or shoreline maintenance. More specifically, the revenues derived from tourist development taxes are authorized to be used:¹¹

- To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more:
 - Publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, or auditoriums; or
 - Aquariums and museums that are publicly owned and operated, or owned and operated by a non-profit organization that is open to the public;
- To promote zoological parks that are publicly owned and operated or owned and operated by a non-profit organization that is open to the public;
- To promote and advertise tourism in the state;

⁴ Section 125.0104(3)(m), F.S.

⁵ A county may be designated as having a "high tourism impact" by the Department of Revenue as provided by s. 125.0104(3)(m)2, F.S.

⁶ Section 125.0104(3)(l), F.S.

⁷ Section 125.0104(3)(n), F.S.

⁸ See ss. 125.0104(b), (d), and (l), F.S.

⁹ Also referred to as a "tourism" development council.

¹⁰ See ss. 125.0104(4), F.S. The provisions found in ss. 125.0104(4)(a)-(d), F.S., do not apply to the high tourism impact tax, the professional sports franchise facility tax, or the additional professional sports franchise facility tax.

¹¹ Section 125.0104(5)(a), F.S.

- To fund convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies; or
- To finance beach park facilities or beach improvement, maintenance, renourishment, restoration, and erosion control.

Non-Profit Organizations and Tax-exemption

A non-profit organization is generally defined as one whose purpose is something other than making a profit, usually related to a public purpose. Since “non-profit” refers to incorporation status under state law, the legal definition varies by state.¹² The legal format for establishing non-profit status also varies depending on state. Non-profit status formats can include non-profit corporations, unincorporated associations, and charitable trusts.

Tax-exempt status exempts a non-profit organization from paying corporate income tax on income generated from activities that are substantially related to the purposes for which the group was organized. A non-profit organization is not automatically tax-exempt; to be tax-exempt, an organization must qualify for federal income tax exemption under the Internal Revenue Code.¹³ There are 29 types of nonprofit organizations that are exempt from some federal income taxes; most of these are charitable organizations and are known as 501(c)(3) organizations.¹⁴ A non-profit organization must apply to be recognized as being tax-exempt. Non-profit organizations that are granted tax-exempt status by the Internal Revenue Service can apply and receive a Florida Consumer’s Certificate of Exemption, further exempting them from certain sales tax.

III. Effect of Proposed Changes:

The bill amends the authorized uses of revenue derived from local option tourist development taxes to include the acquisition, construction, extension, enlargement, remodel, repair, improvement, maintenance, operation, or promotion of one or more auditoriums that are publicly owned but operated by a non-profit organization that is tax-exempt under 26 U.S.C. s.501(c)(3) and within the boundaries in which the tax is levied.¹⁵

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

¹² Florida law regarding non-profit corporations is found in Ch. 617, F.S.

¹³ See 26 U.S.C. s.501

¹⁴ The section of federal law regulating tax exemptions for charitable organizations is 26 U.S.C. s.501(c)(3).

¹⁵ Examples of publicly owned auditoriums that are operated by 501(c)(3) non-profits include Florida Theatre in Jacksonville, Tampa Theatre, and Ruth Eckerd Hall in Clearwater.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None. The bill changes the authorized use of tourist development tax revenue, not the amount of such revenue.

B. Private Sector Impact:

Unknown, but positive. A tax-exempt, non-profit organization that is operating a publicly owned auditorium could receive funds derived from tourist development tax revenues for statutorily defined purposes related to that auditorium.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 125.0104 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Commerce and Tourism on January 23, 2017:

The CS makes technical changes for purposes of statutory organization and clarification.

B. Amendments:

None.

By the Committee on Commerce and Tourism; and Senators Grimsley and Latvala

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1 A bill to be entitled
 2 An act relating to the tourist development tax;
 3 amending s. 125.0104, F.S.; authorizing counties
 4 imposing the tourist development tax to use those tax
 5 revenues for auditoriums that are publicly owned but
 6 operated by specified organizations under certain
 7 circumstances; providing an effective date.

8
 9 Be It Enacted by the Legislature of the State of Florida:

10
 11 Section 1. Paragraph (a) of subsection (5) of section
 12 125.0104, Florida Statutes, is amended to read:

13 125.0104 Tourist development tax; procedure for levying;
 14 authorized uses; referendum; enforcement.—

15 (5) AUTHORIZED USES OF REVENUE.—

16 (a) All tax revenues received pursuant to this section by a
 17 county imposing the tourist development tax shall be used by
 18 that county for the following purposes only:

19 1. To acquire, construct, extend, enlarge, remodel, repair,
 20 improve, maintain, operate, or promote one or more:

21 a. Publicly owned and operated convention centers, sports
 22 stadiums, sports arenas, coliseums, or auditoriums within the
 23 boundaries of the county or subcounty special taxing district in
 24 which the tax is levied; ~~or~~

25 b. Auditoriums that are publicly owned but are operated by
 26 organizations that are exempt from federal taxation pursuant to
 27 26 U.S.C. s. 501(c) (3) and open to the public, within the
 28 boundaries of the county or subcounty special taxing district in
 29 which the tax is levied; or

30 c.~~b.~~ Aquariums or museums that are publicly owned and
 31 operated or owned and operated by not-for-profit organizations

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32 and open to the public, within the boundaries of the county or
33 subcounty special taxing district in which the tax is levied;

34 2. To promote zoological parks that are publicly owned and
35 operated or owned and operated by not-for-profit organizations
36 and open to the public;

37 3. To promote and advertise tourism in this state and
38 nationally and internationally; however, if tax revenues are
39 expended for an activity, service, venue, or event, the
40 activity, service, venue, or event must have as one of its main
41 purposes the attraction of tourists as evidenced by the
42 promotion of the activity, service, venue, or event to tourists;

43 4. To fund convention bureaus, tourist bureaus, tourist
44 information centers, and news bureaus as county agencies or by
45 contract with the chambers of commerce or similar associations
46 in the county, which may include any indirect administrative
47 costs for services performed by the county on behalf of the
48 promotion agency; or

49 5. To finance beach park facilities or beach improvement,
50 maintenance, renourishment, restoration, and erosion control,
51 including shoreline protection, enhancement, cleanup, or
52 restoration of inland lakes and rivers to which there is public
53 access as those uses relate to the physical preservation of the
54 beach, shoreline, or inland lake or river. However, any funds
55 identified by a county as the local matching source for beach
56 renourishment, restoration, or erosion control projects included
57 in the long-range budget plan of the state's Beach Management
58 Plan, pursuant to s. 161.091, or funds contractually obligated
59 by a county in the financial plan for a federally authorized
60 shore protection project may not be used or loaned for any other

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61 purpose. In counties of fewer than 100,000 population, up to 10
62 percent of the revenues from the tourist development tax may be
63 used for beach park facilities.

64
65 Subparagraphs 1. and 2. may be implemented through service
66 contracts and leases with lessees that have sufficient expertise
67 or financial capability to operate such facilities.

68 Section 2. This act shall take effect July 1, 2017.



The Florida Senate

Committee Agenda Request

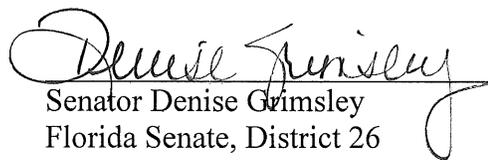
To: Senator Tom Lee, Chair
Committee on Community Affairs

Subject: Committee Agenda Request

Date: January 25, 2017

I respectfully request that **Senate Bill #68**, relating to Tourist Development Tax, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.


Senator Denise Grimsley
Florida Senate, District 26

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/SB 880

INTRODUCER: Community Affairs Committee and Senator Stargel

SUBJECT: Government Accountability

DATE: March 14, 2017 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Cochran	Yeatman	CA	Fav/CS
2.	_____	_____	AP	_____
3.	_____	_____	RC	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 880 amends statutes to enhance government accountability and auditing, based on recommendations noted in recent reports by the Auditor General. The bill:

- Specifies that the Governor or Commissioner of Education, or designee, may notify the Legislative Auditing Committee of an entity’s failure to comply with certain auditing and financial reporting requirements;
- Provides definitions for the terms “abuse,” “fraud,” and “waste;”
- Adds tourist development council and county tourism promotion agency to the definition of “local government entity;”
- States that local government entities do not include water management districts for the purposes of s. 11.45(2), F.S.;
- Includes tourist development councils and county tourism promotion agencies in the list of entities that the Auditor General may audit;
- Requires the Florida Clerks of Court Operations Corporation to notify quarterly the Legislature of any clerk not meeting workload performance standards;
- Requires each agency, the judicial branch, the Justice Administrative Commission, state attorneys, public defenders, criminal conflict and civil regional counsel, the Guardian Ad Litem program, local governmental entities, charter schools, school districts, Florida College System institutions, and state universities to establish and maintain internal controls;
- Limits the amount that may be reimbursed per day for state agency and judicial branch employee lodging expenses for travel under certain circumstances to \$150;
- Requires counties, municipalities, and water management districts to maintain certain budget documents on their websites for specified timeframes;

- Revises the monthly financial statement requirements for water management districts;
- Provides that the Department of Financial Services may request additional information from local government entities when preparing its annual verified report;
- Requires a local governmental entity, district school board, charter school, or charter technical career center, Florida College System board of trustees, or university board of trustees to respond to audit recommendations under certain circumstances;
- Requires an independent certified public accountant conducting an audit of a local governmental entity to determine, as part of the audit, whether the entity's annual financial report is in agreement with the entity's audited financial statements;
- Revises the composition of auditor selection committees;
- Requires completion of an annual financial audit of the Florida Virtual School; and
- Prohibits a board or commission from requiring a member of the public to provide an advance written copy of his or her testimony or comments as a precondition of being given the opportunity to be heard.

II. Present Situation:

Various statutes ensure government accountability of state and local governments. For example, the Auditor General conducts audits of accounts and records of state agencies, state universities, state colleges, district school boards, and others as directed by the Legislative Auditing Committee. The Auditor General conducts operational and performance audits on public records and information technology systems. The Auditor General also reviews all audit reports of local governmental entities, charter schools, and charter technical career centers. Other statutes require publishing of government budgets and other information online and require government entities to follow certain practices to promote efficiency and compliance within the entity.

Due to the disparate issues in the bill, the present situation for each section is discussed below in conjunction with the Effect of Proposed Changes.

III. Effect of Proposed Changes:

Auditing

Present Situation

The position of Auditor General is established by Art. III, s. 2 of the State Constitution. The Auditor General is appointed to office to serve at the pleasure of the Legislature, by a majority vote of the members of the Legislative Auditing Committee, subject to confirmation by both houses of the Legislature.¹ The appointment of the Auditor General may be terminated at any time by a majority vote of both houses of the Legislature.² At the time of appointment, the Auditor General must have been certified under the Public Accountancy Law in Florida for a period of at least 10 years and may not have less than 10 years' experience in an accounting or auditing related field.³

¹ Section 11.42(2), F.S.

² Section 11.42(5), F.S.

³ Section 11.42(2), F.S.

The Auditor General must conduct audits, examinations, or reviews of government programs⁴ as well as audit the accounts and records of state agencies, state universities, state colleges, district school boards, and others as directed by the Legislative Auditing Committee.⁵ The Auditor General conducts operational and performance audits on public records and information technology systems and also reviews all audit reports of local governmental entities, charter schools, and charter technical career centers.⁶

Various provisions require the Auditor General to compile and submit reports. For example, the Auditor General must annually compile and transmit to the President of the Senate, the Speaker of the House of Representatives, and the Legislative Auditing Committee a summary of significant findings and financial trends identified in audit reports.⁷ The Auditor General also must compile and transmit to the President of the Senate, Speaker of the House of Representatives, and Legislative Auditing Committee an annual report by December 1. The report must include a 2-year work plan identifying the audit and other accountability activities to be undertaken and a list of statutory and fiscal changes recommended by the Auditor General.⁸ In addition, the Auditor General must transmit recommendations at other times during the year when the information would be timely and useful to the Legislature.⁹

The annual report for the Auditor General for November 1, 2015, through October 31, 2016, contained the following recommendation:¹⁰

The Legislature should consider amending applicable Florida Statutes to establish in law the responsibility of each State and local government for the establishment and maintenance of management systems and internal controls designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.

Section 11.45, F.S., defines the types of audits the Auditor General may conduct. That section requires certain state and local governmental audits to be conducted and specifies the frequency with which the audits must occur. The Auditor General also may conduct other audits he or she determines to be appropriate.

Following notification by the Auditor General, the Department of Financial Services (DFS), or the Division of Bond Finance of the State Board of Administration of the failure of a local governmental entity, district school board, charter school, or charter technical career center to comply with applicable auditing, financial reporting, bond issuance notification, or bond verification provisions or the failure to disclose a financial emergency or provide information

⁴ Section 11.45(7), F.S.

⁵ Section 11.45(2)(d)-(f), F.S.

⁶ Section 11.45(7)(b), F.S.

⁷ Section 11.45(7)(f), F.S.

⁸ Section 11.45(7)(h), F.S.

⁹ *Id.*

¹⁰ A copy of the report can be found online at: <http://www.myflorida.com/audgen/pages/annualrpt.htm> (last visited March 9, 2017).

required during a financial emergency,¹¹ the Legislative Auditing Committee may schedule a hearing to determine whether the entity should be subject to further state action. For purposes of s. 11.45, F.S., the term “local governmental entity” means a county agency, municipality, or special district as defined in s. 189.012, F.S.,¹² but does not include any housing authority established under ch. 421, F.S.

The Auditor General is also required to annually transmit, by July 15, to the President of the Senate, the Speaker of the House of Representatives, and DFS a list of all school districts, charter schools, charter technical career centers, Florida College System institutions, state universities, and water management districts (WMDs) that have failed to comply with certain transparency requirements.

Effect of the Bill

Section 1 provides that the Governor or his or her designee, and the Commissioner of Education or his or her designee, are also authorized to notify the Legislative Auditing Committee that a local governmental entity, district school board, charter school, or charter technical career center has failed to comply with applicable auditing, financial reporting, bond issuance notification, or bond verification provisions or failed to disclose a financial emergency or provide information required during a financial emergency.

Section 2 creates the following definitions:

- “Abuse” means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.
- “Fraud” means obtaining something of value through willful misrepresentation, including, but not limited to, the intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources.
- “Waste” means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

The bill amends the definition for “local governmental entity” for purposes of s. 11.45, F.S., to include tourist development council and county tourism promotion agency. This section also authorizes the Auditor General to conduct audits or other engagements of tourist development councils and county tourism promotion agencies. The bill exempts WMDs from being subject to

¹¹ Section 11.45, F.S., governs certain audits to be conducted by the Auditor General. Section 218.32(1), F.S., requires annual financial reports from local governmental entities. Section 218.38, F.S., requires notice of bond issuance and contains verification requirements. Section 218.503(3), F.S., requires certain entities to disclose a financial emergency and provide certain information concerning a financial emergency.

¹² Section 189.012(6), F.S., defines a “special district” to mean a unit of local government created for a special purpose, as opposed to a general purpose, which has jurisdiction to operate within a limited geographic boundary and is created by general law, special act, local ordinance, or by rule of the Governor and Cabinet. The term does not include a school district, a community college district, a special improvement district created pursuant to s. 285.17, F.S., a municipal service taxing or benefit unit as specified in s. 125.01, F.S., or a board which provides electrical service and which is a political subdivision of a municipality or is part of a municipality.

audits of local governmental entities conducted pursuant to s. 11.45(2)(j), F.S. The bill amends the list of entities that must be included in the Auditor General report concerning entities that fail to comply with transparency requirements in s. 11.45, F.S., to add local governmental entities and remove WMDs. The WMDs are already covered by s. 11.45(2)(f), F.S.,¹³ and the Auditor General did not find it helpful to have additional authority for an as needed audit.

Florida Clerks of Court Operations Corporation

Present Situation

Currently, s. 28.35, F.S., requires the Florida Clerks of Court Operations Corporation (corporation) to develop and certify a uniform system of workload measures and applicable workload standards for court-related functions as developed by the corporation and clerk workload performance in meeting the workload performance standards. These workload measures and workload performance standards must be designed to facilitate an objective determination of the performance of each clerk in accordance with minimum standards for fiscal management, operational efficiency, and effective collection of fines, fees, service charges, and court costs. The corporation must develop the workload measures and workload performance standards in consultation with the Legislature. When the corporation finds a clerk has not met the workload performance standards, the corporation must identify the nature of each deficiency and any corrective action recommended and taken by the affected clerk of the court. The corporation must notify the Legislature of any clerk not meeting workload performance standards and provide a copy of any corrective action plans.

Effect of the Bill

Section 3 requires the corporation to notify the Legislature of any clerk not meeting the workload performance standards and provide a copy of any corrective action plans within 45 days after the end of each quarter. For purposes of s. 28.35, F.S., the quarters end on the last day of March, June, September, and December of each year.

Public Employee Travel Expenses

Present Situation

Section 112.061, F.S., establishes the rates of per diem and subsistence allowance for travel by public officers and employees. When traveling to a convention or conference or to conduct bona fide state business, a traveler is authorized to receive \$80 per diem. However, if actual expenses exceed \$80, the traveler may receive \$6 for breakfast, \$11 for lunch, \$19 for dinner, and the actual expenses for lodging at a single-occupancy rate.

The 2016-17 implementing bill created a limit on the amount of actual expenses for lodging that may be reimbursed under certain circumstances. The bill provided that when an employee of a state agency or the judicial branch is attending a meeting, conference, or convention organized or sponsored in whole or in part by a state agency or the judicial branch, the reimbursement for lodging expenses may not exceed \$150 per day. However, an employee may expend his or her

¹³ Section 11.45(2)(f), F.S. states in part that at least every 3 years, the Auditor General shall conduct operational audits of the accounts and records of water management districts.

own funds for any lodging expenses in excess of the limit. This limit is in effect until July 1, 2017.

Effect of the Bill

Section 5 codifies the implementing bill's \$150 per day limit on lodging expenses in s. 112.061, F.S.

Florida Single Audit Act

Present Situation

The Florida Single Audit Act, codified in s. 215.97, F.S., is designed to:

- Establish uniform state audit requirements for state financial assistance provided by state agencies to nonstate entities to carry out state projects;
- Promote sound financial management, including effective internal controls, with respect to state financial assistance administered by nonstate entities;
- Promote audit economy and efficiency by relying to the extent possible on already required audits of federal financial assistance provided to nonstate entities;
- Provide for identification of state financial assistance transactions in the state accounting records and recipient organization records;
- Promote improved coordination and cooperation within and between affected state agencies providing state financial assistance and nonstate entities receiving state assistance; and
- Ensure, to the maximum extent possible, that state agencies monitor, use, and follow-up on audits of state financial assistance provided to nonstate entities.

Pursuant to the Florida Single Audit Act, certain entities that meet the “audit threshold” requirements are subject to a state single audit or a project-specific audit. Currently, the “audit threshold” requires each nonstate entity that expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such nonstate entity to have a state single audit, or a project-specific audit, for such fiscal year. Every 2 years, the Auditor General, after consulting with the Executive Office of the Governor, DFS, and all state awarding agencies, is required to review the threshold amount for requiring audits and may adjust the threshold amount.¹⁴

Effect of the Bill

Section 10 changes the requirement that the Auditor General review the threshold amount for requiring audits from every 2 years to “periodically;” however, the term “periodically” is not defined. The bill also authorizes the Auditor General to recommend to the Legislature a statutory change to revise the threshold amount in its annual report.

Annual Financial Audit Reports

Present Situation

If, by the first day in any fiscal year, a local governmental entity, district school board, charter school, or charter technical career center has not been notified that a financial audit for that fiscal year will be performed by the Auditor General, an entity meeting certain requirements must have

¹⁴ Section 215.97(2)(a), F.S.

an annual financial audit of its accounts and records completed within 9 months after the end of its fiscal year by an independent certified public accountant.¹⁵ Section 218.39, F.S., specifies the minimum required information for the independent audits and provides for discussion between the governing body and the independent certified public accountant regarding certain specified conditions. If corrective action is required and has not been taken, the Legislative Auditing Committee can request a statement explaining why the corrective action has not been taken and take certain steps to determine whether the entity should be subject to further state action.¹⁶

Effect of the Bill

Section 14 provides that if an audit report contains a recommendation that was included in the preceding financial audit report but remains unaddressed, the governing body of the audited entity, within 60 days after delivery of the audit report to the governing body, must indicate during a regularly scheduled public meeting whether it intends to take a corrective action, the corrective action to be taken, and when the corrective action will occur. If the governing body does not intend to take any corrective action, it must explain its decision at the public meeting.

Auditor Selection Procedures

Present Situation

Section 218.391, F.S., outlines the process that each local governmental entity, district school board, charter school, or charter technical career center must follow in selecting an auditor to conduct the annual financial audit of the entity required by s. 218.39, F.S. Each entity is required to establish an audit committee to assist the governing body in selecting the auditor. Each noncharter county's audit committee must consist of each of its officers elected pursuant to the State Constitution and one member of the board of county commissioners or its designee. The audit committees must publicly announce requests for proposals for the audit services. The law specifies the factors that must be considered in selecting the auditor and the procedures for negotiating for compensation.

Effect of the Bill

Section 15 requires every county's audit committee to consist of each county officer elected pursuant to the State Constitution or the county charter, or their respective designees, and one member of the board of county commissioners or its designee. The bill requires the audit committee for a municipality, special district, district school board, charter school, or charter technical career center to consist of at least three members, one of whom must be a member of the governing body of the entity. That member must serve as the audit committee's chair. An employee, chief executive officer, or chief financial officer of the county, municipality, special district, district school board, charter school, or charter technical career center may not serve as a member of an audit committee.

The Florida Virtual School

Present Situation

¹⁵ Section 218.39(1), F.S.

¹⁶ Section 11.40(2), F.S.

The Florida Virtual School was created to develop and deliver online and distance learning education.¹⁷ The Commissioner of Education is charged with monitoring the Florida Virtual School. In pertinent part, the law requires the board of trustees to submit an annual report to the Governor, the Legislature, the Commissioner of Education, and the State Board of Education (SBE) that must address:

- The operations and accomplishments of the Florida Virtual School within the state and those occurring outside the state as Florida Virtual School Global;
- The marketing and operational plan for the Florida Virtual School and Florida Virtual School Global, including recommendations regarding methods for improving the delivery of education through the Internet and other distance learning technology;
- The assets and liabilities of the Florida Virtual School and Florida Virtual School Global at the end of the fiscal year;
- A copy of an annual financial audit of the accounts and records of the Florida Virtual School and Florida Virtual School Global, conducted by an independent certified public accountant and performed in accordance with rules adopted by the Auditor General;
- Recommendations regarding the unit cost of providing services to students through the Florida Virtual School and Florida Virtual School Global; and
- Recommendations regarding an accountability mechanism to assess the effectiveness of the services provided by the Florida Virtual School and Florida Virtual School Global.¹⁸

The Auditor General must conduct an operational audit of the Florida Virtual School, including Florida Virtual School Global.¹⁹ The scope of the audit must include, but is not limited to, the administration of responsibilities relating to personnel; procurement and contracting; revenue production; school funds, including internal funds; student enrollment records; franchise agreements; information technology utilization, assets, and security; performance measures and standards; and accountability. The law specifies that the final report on the audit must be submitted to the President of the Senate and the Speaker of the House of Representatives no later than January 31, 2014.²⁰

Effect of the Bill

Section 20 of the bill eliminates the requirement for the Auditor General to conduct an operational audit and submit a report to the presiding officers by January 31, 2014.

The bill creates a new requirement for the Florida Virtual School to have an annual financial audit of its accounts and records conducted by an independent auditor who is a licensed certified public accountant. The independent auditor must conduct the audit in accordance with rules adopted by the Auditor General and must prepare an audit report in accordance with such rules. The audit report must include a written statement by the board of trustees describing corrective action to be taken in response to each of the independent auditor's recommendations. The independent auditor must submit the audit report to the board of trustees and the Auditor General no later than 9 months after the end of the preceding fiscal year. The bill also makes conforming changes to the annual report provided to the Governor, the Legislature, the Commissioner of

¹⁷ Section 1002.37(1)(a), F.S.

¹⁸ Section 1002.37(6), F.S.

¹⁹ Section 1002.37(11), F.S.

²⁰ *Id.*

Education, and the SBE by requiring a copy of the audit report to be submitted with the board of trustees' annual statement.

Local Governmental Entity Annual Financial Reports

Present Situation

Section 218.32, F.S., requires local governmental entities that are required to provide for an audit under s. 218.39, F.S., to submit an audit report and annual financial report to DFS within 45 days after completion of the audit report, but no later than 9 months after the end of the fiscal year.

The annual financial report must be signed by the chair of the governing body and the chief financial officer of the local governmental entity. The law also specifies the information that must be included in the report.

In addition, DFS is required to file a verified report with the Governor, the Legislature, the Auditor General, and the Special District Accountability Program of the Department of Economic Opportunity showing the revenues, both locally derived and derived from intergovernmental transfers, and the expenditures of each local governmental entity, regional planning council, local government finance commission, and municipal power corporation that is required to submit an annual financial report.²¹

Effect of the Bill

Section 12 requires an independent certified public accountant conducting an audit of a local governmental entity pursuant to s. 218.39, F.S., to determine, as part of the audit, whether the entity's annual financial report is in agreement with the entity's audited financial statements. If the audited financial statements are not in agreement with the annual financial report, the bill requires the accountant to specify in the audit report the significant differences that exist between the audited financial statements and the annual financial report.

The bill also authorizes DFS, in preparing the verified report, to request additional information from the local governmental entity. Any additional information requested must be provided to DFS within 45 days after the request. If the local governmental entity does not comply with the request, DFS must notify the Legislative Auditing Committee, which may take action pursuant to s. 11.40(2), F.S.

Required Audits of Certain Educational Institutions

Present Situation

School districts, Florida College System institutions, and other institutions and agencies under the supervision of the State Board of Education (SBE) and state universities under the supervision of the Board of Governors (BOG) are subject to the audit provisions of ss. 11.45 and 218.39, F.S. If an audit contains a significant finding, the district school board, the Florida College System institution board of trustees, or the university board of trustees is required to conduct an audit overview during a public meeting.²²

²¹ Section 218.32(2), F.S.

²² Section 1010.30(2), F.S.

Effect of the Bill

Section 22 provides that if an audit report includes a recommendation that was included in the preceding financial audit report but remains unaddressed, the district school board, the Florida College System institution board of trustees, or the university board of trustees must indicate during a regularly scheduled public meeting whether it intends to take corrective action, the corrective action to be taken, and when the corrective action will occur within 60 days after the delivery of the audit report. If the district school board, Florida College System institution board of trustees, or university board of trustees does not intend to take corrective action, it must explain its decision at the public meeting.

Internal Controls to Prevent and Detect Fraud, Waste, and Abuse***Present Situation******State Agencies and the Judicial Branch***

Section 215.86, F.S., requires each state agency and the judicial branch as defined in s. 216.011, F.S., to establish and maintain management systems and controls that promote and encourage compliance; economic, efficient, and effective operations; reliability of records and reports; and safeguarding of assets. It requires accounting systems and procedures to be designed to fulfill the requirements of generally accepted accounting principles.

Local Governmental Entities

Section 218.33, F.S., requires each local governmental entity to begin its fiscal year on October 1 and end it on September 30. Section 218.33(2), F.S., requires each local governmental entity to follow uniform accounting practices and procedures as provided by rule of DFS to assure the use of proper accounting and fiscal management by such units. Such rules must include a uniform classification of accounts.

Charter Schools

Section 1002.33, F.S., authorizes charter schools as part of Florida's state program of education. In addition to creating charter schools, that section also imposes certain requirements on charter schools. In pertinent part, the law provides that the governing body of a charter school is responsible for:

- Ensuring that the charter school has retained a certified public accountant or auditor to perform its annual audit;
- Reviewing and approving the audit report;
- Establishing a corrective plan, if necessary;
- Monitoring a financial recovery plan to ensure compliance; and
- Participating in governance training approved by the Department of Education, which must include government in the sunshine, conflicts of interest, ethics, and financial responsibility.²³

School Districts, Florida College System Institutions, and State Universities

Current law requires the financial records and accounts of each school district, Florida College System institution, and other institution or agency under the supervision of the SBE to be

²³ Section 1002.33(9)(j), F.S.

prepared and maintained as prescribed by law and rules of the SBE. The financial records and accounts of each state university under the supervision of the BOG must be prepared and maintained as prescribed by law and rules of the BOG. Rules of the SBE and rules of the BOG must incorporate the requirements of law and accounting principles generally accepted in the United States and must include a uniform classification of accounts. Each state university must annually file with the BOG financial statements prepared in conformity with these requirements. The BOG's rules must prescribe the filing deadline for the financial statements. The required financial accounts and reports must include provisions that are unique to K-12 school districts, Florida College System institutions, and state universities.²⁴

Justice Administrative Commission

The Justice Administrative Commission (Commission) is created in s. 43.16, F.S. As one of its duties, the Commission is charged with maintaining a central state office for administrative services and assistance on behalf of state attorneys and public defenders, the capital collateral regional counsel, the criminal conflict and civil regional counsel, and the Guardian Ad Litem Program.²⁵ Additionally, the Commission records and submits certain documents prepared by a state attorney, public defender, or criminal conflict and civil regional counsel or the Guardian Ad Litem Program, including necessary budgets, vouchers that represent valid claims for reimbursement by the state for authorized expenses, and other things incidental to the proper administrative operation of the office, such as revenue transmittals to the Chief Financial Officer and automated systems plans.²⁶

Effect of the Bill

Sections 4, 9, 13, 19, and 21 require state agencies, the judicial branch, local governmental entities, charter schools, school districts, Florida College System institutions, state universities, the Commission, each state attorney, each public defender, the criminal conflict and civil regional counsel, the capital collateral regional counsel, and the Guardian Ad Litem Program to establish and maintain internal controls designed to:

- Prevent and detect fraud, waste, and abuse, as defined in s. 11.45(1), F.S.;
- Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices;
- Support economical and efficient operations;
- Ensure reliability of financial records and reports; and
- Safeguard assets.

Section 18 authorizes a district school board to retain an internal auditor to determine:

- The adequacy of internal controls designed to prevent and detect fraud, waste, and abuse.
- Compliance with applicable laws, rules, contracts, grant agreements, district school board-approved policies, and best practices.
- The efficiency of operations.
- The reliability of financial records and reports.
- The safeguarding of assets.

²⁴ Section 1010.01, F.S.

²⁵ Section 43.16(5)(a), F.S.

²⁶ Section 43.16(5)(b), F.S.

Online Posting of Governmental Budgets

Counties and Municipalities

Present Situation

Counties²⁷ and municipalities²⁸ are required to post their tentative budgets on their websites 2 days prior to consideration of the budget at a public hearing. The final budget of a county or municipality must be posted on its website within 30 days after adoption. An amendment to a budget must be posted to the website within 5 days of adoption.²⁹ Current law does not specify how long these documents must remain available on the website.

Effect of the Bill

Sections 6, 7, and 8 require a tentative budget to remain on a county or municipality's website for at least 45 days. The bill also requires a final budget to remain on the entity's website for at least 2 years. Finally, the bill requires an adopted amendment to a budget to remain on the website for at least 2 years.

Water Management Districts

Present Situation

Chapter 373, F.S., governs Florida's water resource management and authorizes the creation of WMDs, which are given taxing authority. A WMD is defined as "any flood control, resource management, or water management district" operating under the authority of ch. 373, F.S.³⁰ There are five WMDs in Florida: Northwest Florida, Suwanee River, St. Johns River, Southwest Florida, and South Florida.³¹ Section 373.536, F.S., governs the budget process for WMDs and requires a WMD's tentative budget to be posted on the WMD's website at least 2 days before budget hearings are conducted. The law requires a WMD's final adopted budget to be posted on the WMD's official website within 30 days after adoption.

Effect of the Bill

Section 17 requires a WMD's tentative budget to remain on the WMD's website for at least 45 days and requires the final adopted budget to remain on the website for at least 2 years.

Transparency in Government Spending

Present Situation

The Transparency Florida Act (Act), codified in s. 215.985, F.S., requires the Governor, in consultation with the appropriations committees of the House and Senate, to maintain a central website providing access to all other websites required to be linked under the Act. It also requires certain budget information, certain contract information, and minimum functionality standards to be readily available online. In pertinent part, s. 215.985(11), F.S., requires each WMD to provide a monthly financial statement to its governing board and make the statement available for public access on its website.

²⁷ Section 129.03, F.S.

²⁸ Section 166.241, F.S.

²⁹ Sections 129.06(2)(f)2., 166.241(5), and 189.016(7), F.S.

³⁰ Section 373.019(23), F.S.

³¹ Section 373.069(1), F.S.

Effect of the Bill

Section 11 requires a WMD's monthly financial statement to be in the form and manner prescribed by DFS and requires each WMD to make the monthly financial statement available to the public on its website.

Reasonable Opportunity to be Heard at Public Meetings*Present Situation*

Section 286.0114, F.S., requires, with certain exceptions, that members of the public be provided a reasonable opportunity to be heard before a board or commission. The law describes a general public comment process and allows entities to prescribe how public comment is made and create certain reasonable limitations.

Effect of the Bill

Section 16 specifies that a board or commission may not require a member of the public to provide an advance written copy of his or her testimony or comments as a precondition of being given the opportunity to be heard at a meeting.

Statement of Legislative Findings

Section 25 specifies that a proper and legitimate state purpose is served when internal controls are established to prevent and detect fraud, waste, and abuse and to safeguard and account for government funds and property.

Sections 23 and 24 contain corrections for cross-references.

Section 26 of the bill provides an effective date of July 1, 2017.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

The mandates provision of Art. VII, s. 18 of the Florida Constitution may apply because the bill requires county and municipal governments to establish and maintain specified internal controls, and to post government budgets online. An exemption may apply if the bill results in an insignificant fiscal impact to county or municipal governments. An exception also may apply because similarly situated persons are all required to comply, and Section 25 of the bill specifies that it serves an important state interest.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

None.

V. **Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill may have an indeterminate negative fiscal impact on state agencies, the court system, court-related entities, local governments, district school boards, charter schools, and state colleges and universities because it requires them to establish specified internal controls. This requirement may require additional time and expense to create the internal controls.

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

None.

VIII. **Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 11.40, 11.45, 28.35, 43.16, 112.061, 129.03, 129.06, 166.241, 215.86, 215.97, 215.985, 218.32, 218.33, 218.39, 218.391, 218.503, 286.0114, 373.536, 1001.42, 1002.33, 1002.37, 1010.01, and 1010.30.

IX. **Additional Information:**

A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs on March 14, 2017:

- Adds clarification to the definition of “fraud;”
- States that local government entities do not include water management districts for the purposes of s. 11.45(2), F.S.;
- Requires the Florida Clerks of Court Operations Corporation to notify quarterly the Legislature of any clerk not meeting workload performance standards;
- Limits the amount that may be reimbursed per day for state agency and judicial branch employee lodging expenses for travel under certain circumstances to \$150.

- Revises the composition of auditor selection committees;
- Requires completion of an annual financial audit of the Florida Virtual School; and
- Includes corrections for cross-references.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/14/2017	.	
	.	
	.	
	.	

The Committee on Community Affairs (Stargel) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsection (2) of section 11.40, Florida
Statutes, is amended to read:

11.40 Legislative Auditing Committee.—

(2) Following notification by the Auditor General, the
Department of Financial Services, ~~or~~ the Division of Bond
Finance of the State Board of Administration, the Governor or



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11 his or her designee, or the Commissioner of Education or his or
12 her designee of the failure of a local governmental entity,
13 district school board, charter school, or charter technical
14 career center to comply with the applicable provisions within s.
15 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
16 Legislative Auditing Committee may schedule a hearing to
17 determine if the entity should be subject to further state
18 action. If the committee determines that the entity should be
19 subject to further state action, the committee shall:

20 (a) In the case of a local governmental entity or district
21 school board, direct the Department of Revenue and the
22 Department of Financial Services to withhold any funds not
23 pledged for bond debt service satisfaction which are payable to
24 such entity until the entity complies with the law. The
25 committee shall specify the date that such action must ~~shall~~
26 begin, and the directive must be received by the Department of
27 Revenue and the Department of Financial Services 30 days before
28 the date of the distribution mandated by law. The Department of
29 Revenue and the Department of Financial Services may implement
30 ~~the provisions of~~ this paragraph.

31 (b) In the case of a special district created by:

32 1. A special act, notify the President of the Senate, the
33 Speaker of the House of Representatives, the standing committees
34 of the Senate and the House of Representatives charged with
35 special district oversight as determined by the presiding
36 officers of each respective chamber, the legislators who
37 represent a portion of the geographical jurisdiction of the
38 special district, and the Department of Economic Opportunity
39 that the special district has failed to comply with the law.



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40 Upon receipt of notification, the Department of Economic
41 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
42 If the special district remains in noncompliance after the
43 process set forth in s. 189.0651, or if a public hearing is not
44 held, the Legislative Auditing Committee may request the
45 department to proceed pursuant to s. 189.067(3).

46 2. A local ordinance, notify the chair or equivalent of the
47 local general-purpose government pursuant to s. 189.0652 and the
48 Department of Economic Opportunity that the special district has
49 failed to comply with the law. Upon receipt of notification, the
50 department shall proceed pursuant to s. 189.062 or s. 189.067.
51 If the special district remains in noncompliance after the
52 process set forth in s. 189.0652, or if a public hearing is not
53 held, the Legislative Auditing Committee may request the
54 department to proceed pursuant to s. 189.067(3).

55 3. Any manner other than a special act or local ordinance,
56 notify the Department of Economic Opportunity that the special
57 district has failed to comply with the law. Upon receipt of
58 notification, the department shall proceed pursuant to s.
59 189.062 or s. 189.067(3).

60 (c) In the case of a charter school or charter technical
61 career center, notify the appropriate sponsoring entity, which
62 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

63 Section 2. Subsection (1), paragraph (j) of subsection (2),
64 paragraph (u) of subsection (3), and paragraph (i) of subsection
65 (7) of section 11.45, Florida Statutes, are amended, and
66 paragraph (x) is added to subsection (3) of that section, to
67 read:

68 11.45 Definitions; duties; authorities; reports; rules.—



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69 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:
70 (a) “Abuse” means behavior that is deficient or improper
71 when compared with behavior that a prudent person would consider
72 a reasonable and necessary operational practice given the facts
73 and circumstances. The term includes the misuse of authority or
74 position for personal gain.
75 (b) ~~(a)~~ “Audit” means a financial audit, operational audit,
76 or performance audit.
77 (c) ~~(b)~~ “County agency” means a board of county
78 commissioners or other legislative and governing body of a
79 county, however styled, including that of a consolidated or
80 metropolitan government, a clerk of the circuit court, a
81 separate or ex officio clerk of the county court, a sheriff, a
82 property appraiser, a tax collector, a supervisor of elections,
83 or any other officer in whom any portion of the fiscal duties of
84 a body or officer expressly stated in this paragraph ~~the above~~
85 ~~are under law~~ separately placed by law.
86 (d) ~~(c)~~ “Financial audit” means an examination of financial
87 statements in order to express an opinion on the fairness with
88 which they are presented in conformity with generally accepted
89 accounting principles and an examination to determine whether
90 operations are properly conducted in accordance with legal and
91 regulatory requirements. Financial audits must be conducted in
92 accordance with auditing standards generally accepted in the
93 United States and government auditing standards as adopted by
94 the Board of Accountancy. When applicable, the scope of
95 financial audits must ~~shall~~ encompass the additional activities
96 necessary to establish compliance with the Single Audit Act
97 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other



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98 applicable federal law.

99 (e) "Fraud" means obtaining something of value through
100 willful misrepresentation, including, but not limited to, the
101 intentional misstatements or intentional omissions of amounts or
102 disclosures in financial statements to deceive users of
103 financial statements, theft of an entity's assets, bribery, or
104 the use of one's position for personal enrichment through the
105 deliberate misuse or misapplication of an organization's
106 resources.

107 (f)~~(d)~~ "Governmental entity" means a state agency, a county
108 agency, or any other entity, however styled, that independently
109 exercises any type of state or local governmental function.

110 (g)~~(e)~~ "Local governmental entity" means a county agency,
111 municipality, tourist development council, county tourism
112 promotion agency, or special district as defined in s. 189.012.
113 The term,~~but~~ does not include any housing authority established
114 under chapter 421.

115 (h)~~(f)~~ "Management letter" means a statement of the
116 auditor's comments and recommendations.

117 (i)~~(g)~~ "Operational audit" means an audit whose purpose is
118 to evaluate management's performance in establishing and
119 maintaining internal controls, including controls designed to
120 prevent and detect fraud, waste, and abuse, and in administering
121 assigned responsibilities in accordance with applicable laws,
122 administrative rules, contracts, grant agreements, and other
123 guidelines. Operational audits must be conducted in accordance
124 with government auditing standards. Such audits examine internal
125 controls that are designed and placed in operation to promote
126 and encourage the achievement of management's control objectives



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127 in the categories of compliance, economic and efficient
128 operations, reliability of financial records and reports, and
129 safeguarding of assets, and identify weaknesses in those
130 internal controls.

131 (j)~~(h)~~ "Performance audit" means an examination of a
132 program, activity, or function of a governmental entity,
133 conducted in accordance with applicable government auditing
134 standards or auditing and evaluation standards of other
135 appropriate authoritative bodies. The term includes an
136 examination of issues related to:

137 1. Economy, efficiency, or effectiveness of the program.

138 2. Structure or design of the program to accomplish its
139 goals and objectives.

140 3. Adequacy of the program to meet the needs identified by
141 the Legislature or governing body.

142 4. Alternative methods of providing program services or
143 products.

144 5. Goals, objectives, and performance measures used by the
145 agency to monitor and report program accomplishments.

146 6. The accuracy or adequacy of public documents, reports,
147 or requests prepared under the program by state agencies.

148 7. Compliance of the program with appropriate policies,
149 rules, or laws.

150 8. Any other issues related to governmental entities as
151 directed by the Legislative Auditing Committee.

152 (k)~~(i)~~ "Political subdivision" means a separate agency or
153 unit of local government created or established by law and
154 includes, but is not limited to, the following and the officers
155 thereof: authority, board, branch, bureau, city, commission,



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156 consolidated government, county, department, district,
157 institution, metropolitan government, municipality, office,
158 officer, public corporation, town, or village.

159 (1)~~(j)~~ "State agency" means a separate agency or unit of
160 state government created or established by law and includes, but
161 is not limited to, the following and the officers thereof:
162 authority, board, branch, bureau, commission, department,
163 division, institution, office, officer, or public corporation,
164 as the case may be, except any such agency or unit within the
165 legislative branch of state government other than the Florida
166 Public Service Commission.

167 (m) "Waste" means the act of using or expending resources
168 unreasonably, carelessly, extravagantly, or for no useful
169 purpose.

170 (2) DUTIES.—The Auditor General shall:

171 (j) Conduct audits of local governmental entities when
172 determined to be necessary by the Auditor General, when directed
173 by the Legislative Auditing Committee, or when otherwise
174 required by law. No later than 18 months after the release of
175 the audit report, the Auditor General shall perform such
176 appropriate followup procedures as he or she deems necessary to
177 determine the audited entity's progress in addressing the
178 findings and recommendations contained within the Auditor
179 General's previous report. The Auditor General shall notify each
180 member of the audited entity's governing body and the
181 Legislative Auditing Committee of the results of his or her
182 determination. For purposes of this paragraph, local
183 governmental entities do not include water management districts.

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185 The Auditor General shall perform his or her duties
186 independently but under the general policies established by the
187 Legislative Auditing Committee. This subsection does not limit
188 the Auditor General's discretionary authority to conduct other
189 audits or engagements of governmental entities as authorized in
190 subsection (3).

191 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The Auditor
192 General may, pursuant to his or her own authority, or at the
193 direction of the Legislative Auditing Committee, conduct audits
194 or other engagements as determined appropriate by the Auditor
195 General of:

196 (u) The Florida Virtual School ~~pursuant to s. 1002.37.~~

197 (x) Tourist development councils and county tourism
198 promotion agencies.

199 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

200 (i) The Auditor General shall annually transmit by July 15,
201 to the President of the Senate, the Speaker of the House of
202 Representatives, and the Department of Financial Services, a
203 list of all school districts, charter schools, charter technical
204 career centers, Florida College System institutions, state
205 universities, and local governmental entities ~~water management~~
206 ~~districts~~ that have failed to comply with the transparency
207 requirements as identified in the audit reports reviewed
208 pursuant to paragraph (b) and those conducted pursuant to
209 subsection (2).

210 Section 3. Paragraph (d) of subsection (2) of section
211 28.35, Florida Statutes, is amended to read:

212 28.35 Florida Clerks of Court Operations Corporation.—

213 (2) The duties of the corporation shall include the



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214 following:

215 (d) Developing and certifying a uniform system of workload
216 measures and applicable workload standards for court-related
217 functions as developed by the corporation and clerk workload
218 performance in meeting the workload performance standards. These
219 workload measures and workload performance standards shall be
220 designed to facilitate an objective determination of the
221 performance of each clerk in accordance with minimum standards
222 for fiscal management, operational efficiency, and effective
223 collection of fines, fees, service charges, and court costs. The
224 corporation shall develop the workload measures and workload
225 performance standards in consultation with the Legislature. When
226 the corporation finds a clerk has not met the workload
227 performance standards, the corporation shall identify the nature
228 of each deficiency and any corrective action recommended and
229 taken by the affected clerk of the court. For quarterly periods
230 ending on the last day of March, June, September, and December
231 of each year, the corporation shall notify the Legislature of
232 any clerk not meeting workload performance standards and provide
233 a copy of any corrective action plans. Such notifications shall
234 be submitted no later than 45 days after the end of the
235 preceding quarterly period. As used in this subsection, the
236 term:

237 1. "Workload measures" means the measurement of the
238 activities and frequency of the work required for the clerk to
239 adequately perform the court-related duties of the office as
240 defined by the membership of the Florida Clerks of Court
241 Operations Corporation.

242 2. "Workload performance standards" means the standards



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243 developed to measure the timeliness and effectiveness of the
244 activities that are accomplished by the clerk in the performance
245 of the court-related duties of the office as defined by the
246 membership of the Florida Clerks of Court Operations
247 Corporation.

248 Section 4. Present subsections (6) and (7) of section
249 43.16, Florida Statutes, are renumbered as subsections (7) and
250 (8), respectively, and a new subsection (6) is added to that
251 section to read:

252 43.16 Justice Administrative Commission; membership, powers
253 and duties.—

254 (6) The commission, each state attorney, each public
255 defender, the criminal conflict and civil regional counsel, the
256 capital collateral regional counsel, and the Guardian Ad Litem
257 Program shall establish and maintain internal controls designed
258 to:

259 (a) Prevent and detect fraud, waste, and abuse as defined
260 in s. 11.45(1).

261 (b) Promote and encourage compliance with applicable laws,
262 rules, contracts, grant agreements, and best practices.

263 (c) Support economical and efficient operations.

264 (d) Ensure reliability of financial records and reports.

265 (e) Safeguard assets.

266 Section 5. Subsection (6) of section 112.061, Florida
267 Statutes, is amended to read:

268 112.061 Per diem and travel expenses of public officers,
269 employees, and authorized persons.—

270 (6) RATES OF PER DIEM AND SUBSISTENCE ALLOWANCE.—For
271 purposes of reimbursement rates and methods of calculation, per



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272 diem and subsistence allowances are provided as follows:

273 (a) All travelers shall be allowed for subsistence when
274 traveling to a convention or conference or when traveling within
275 or outside the state in order to conduct bona fide state
276 business, which convention, conference, or business serves a
277 direct and lawful public purpose with relation to the public
278 agency served by the person attending such meeting or conducting
279 such business, either of the following for each day of such
280 travel at the option of the traveler:

- 281 1. Eighty dollars per diem; or
282 2. If actual expenses exceed \$80, the amounts permitted in
283 paragraph (b) for subsistence, plus actual expenses for lodging
284 at a single-occupancy rate, except as provided in paragraph (c),
285 to be substantiated by paid bills therefor.

286
287 When lodging or meals are provided at a state institution, the
288 traveler shall be reimbursed only for the actual expenses of
289 such lodging or meals, not to exceed the maximum provided for in
290 this subsection.

291 (b) All travelers shall be allowed the following amounts
292 for subsistence while on Class C travel on official business as
293 provided in paragraph (5) (b):

- 294 1. Breakfast \$6
295 2. Lunch \$11
296 3. Dinner \$19

297 (c) Actual expenses for lodging associated with the
298 attendance of an employee of a state agency or the judicial
299 branch at a meeting, conference, or convention organized or
300 sponsored in whole or in part by a state agency or the judicial



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301 branch may not exceed \$150 per day. However, an employee may
302 expend his or her own funds for any lodging expenses that exceed
303 \$150 per day.

304 (d)(e) No one, whether traveling out of state or in state,
305 shall be reimbursed for any meal or lodging included in a
306 convention or conference registration fee paid by the state.

307 Section 6. Paragraph (c) of subsection (3) of section
308 129.03, Florida Statutes, is amended to read:

309 129.03 Preparation and adoption of budget.—

310 (3) The county budget officer, after tentatively
311 ascertaining the proposed fiscal policies of the board for the
312 next fiscal year, shall prepare and present to the board a
313 tentative budget for the next fiscal year for each of the funds
314 provided in this chapter, including all estimated receipts,
315 taxes to be levied, and balances expected to be brought forward
316 and all estimated expenditures, reserves, and balances to be
317 carried over at the end of the year.

318 (c) The board shall hold public hearings to adopt tentative
319 and final budgets pursuant to s. 200.065. The hearings shall be
320 primarily for the purpose of hearing requests and complaints
321 from the public regarding the budgets and the proposed tax
322 levies and for explaining the budget and any proposed or adopted
323 amendments. The tentative budget must be posted on the county's
324 official website at least 2 days before the public hearing to
325 consider such budget and must remain on the website for at least
326 45 days. The final budget must be posted on the website within
327 30 days after adoption and must remain on the website for at
328 least 2 years. The tentative budgets, adopted tentative budgets,
329 and final budgets shall be filed in the office of the county



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330 auditor as a public record. Sufficient reference in words and
331 figures to identify the particular transactions must ~~shall~~ be
332 made in the minutes of the board to record its actions with
333 reference to the budgets.

334 Section 7. Paragraph (f) of subsection (2) of section
335 129.06, Florida Statutes, is amended to read:

336 129.06 Execution and amendment of budget.-

337 (2) The board at any time within a fiscal year may amend a
338 budget for that year, and may within the first 60 days of a
339 fiscal year amend the budget for the prior fiscal year, as
340 follows:

341 (f) Unless otherwise prohibited by law, if an amendment to
342 a budget is required for a purpose not specifically authorized
343 in paragraphs (a)-(e), the amendment may be authorized by
344 resolution or ordinance of the board of county commissioners
345 adopted following a public hearing.

346 1. The public hearing must be advertised at least 2 days,
347 but not more than 5 days, before the date of the hearing. The
348 advertisement must appear in a newspaper of paid general
349 circulation and must identify the name of the taxing authority,
350 the date, place, and time of the hearing, and the purpose of the
351 hearing. The advertisement must also identify each budgetary
352 fund to be amended, the source of the funds, the use of the
353 funds, and the total amount of each fund's appropriations.

354 2. If the board amends the budget pursuant to this
355 paragraph, the adopted amendment must be posted on the county's
356 official website within 5 days after adoption and must remain on
357 the website for at least 2 years.

358 Section 8. Subsections (3) and (5) of section 166.241,



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359 Florida Statutes, are amended to read:

360 166.241 Fiscal years, budgets, and budget amendments.—

361 (3) The tentative budget must be posted on the
362 municipality's official website at least 2 days before the
363 budget hearing, held pursuant to s. 200.065 or other law, to
364 consider such budget and must remain on the website for at least
365 45 days. The final adopted budget must be posted on the
366 municipality's official website within 30 days after adoption
367 and must remain on the website for at least 2 years. If the
368 municipality does not operate an official website, the
369 municipality must, within a reasonable period of time as
370 established by the county or counties in which the municipality
371 is located, transmit the tentative budget and final budget to
372 the manager or administrator of such county or counties who
373 shall post the budgets on the county's website.

374 (5) If the governing body of a municipality amends the
375 budget pursuant to paragraph (4)(c), the adopted amendment must
376 be posted on the official website of the municipality within 5
377 days after adoption and must remain on the website for at least
378 2 years. If the municipality does not operate an official
379 website, the municipality must, within a reasonable period of
380 time as established by the county or counties in which the
381 municipality is located, transmit the adopted amendment to the
382 manager or administrator of such county or counties who shall
383 post the adopted amendment on the county's website.

384 Section 9. Section 215.86, Florida Statutes, is amended to
385 read:

386 215.86 Management systems and controls.—Each state agency
387 and the judicial branch as defined in s. 216.011 shall establish



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388 and maintain management systems and internal controls designed
389 to:

390 (1) Prevent and detect fraud, waste, and abuse as defined
391 in s. 11.45(1). ~~that~~

392 (2) Promote and encourage compliance with applicable laws,
393 rules, contracts, and grant agreements. ~~†~~

394 (3) Support economical and economic, efficient, ~~and~~
395 ~~effective~~ operations. ~~†~~

396 (4) Ensure reliability of financial records and reports. ~~†~~

397 (5) Safeguard and safeguarding of assets. Accounting
398 ~~systems and procedures shall be designed to fulfill the~~
399 ~~requirements of generally accepted accounting principles.~~

400 Section 10. Paragraph (a) of subsection (2) of section
401 215.97, Florida Statutes, is amended to read:

402 215.97 Florida Single Audit Act.—

403 (2) As used in this section, the term:

404 (a) "Audit threshold" means the threshold amount used to
405 determine when a state single audit or project-specific audit of
406 a nonstate entity shall be conducted in accordance with this
407 section. Each nonstate entity that expends a total amount of
408 state financial assistance equal to or in excess of \$750,000 in
409 any fiscal year of such nonstate entity shall be required to
410 have a state single audit, ~~†~~ or a project-specific audit, ~~†~~ for such
411 fiscal year in accordance with the requirements of this section.
412 ~~Every 2 years the Auditor General, †~~ After consulting with the
413 Executive Office of the Governor, the Department of Financial
414 Services, and all state awarding agencies, the Auditor General
415 shall periodically review the threshold amount for requiring
416 audits under this section and may recommend any appropriate



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417 statutory change to revise the threshold amount in the annual
418 report submitted pursuant to s. 11.45(7)(h) to the Legislature
419 ~~adjust such threshold amount consistent with the purposes of~~
420 ~~this section.~~

421 Section 11. Subsection (11) of section 215.985, Florida
422 Statutes, is amended to read:

423 215.985 Transparency in government spending.—

424 (11) Each water management district shall provide a monthly
425 financial statement in the form and manner prescribed by the
426 Department of Financial Services to the district's ~~its~~ governing
427 board and make such monthly financial statement available for
428 public access on its website.

429 Section 12. Paragraph (d) of subsection (1) and subsection
430 (2) of section 218.32, Florida Statutes, are amended to read:

431 218.32 Annual financial reports; local governmental
432 entities.—

433 (1)

434 (d) Each local governmental entity that is required to
435 provide for an audit under s. 218.39(1) must submit a copy of
436 the audit report and annual financial report to the department
437 within 45 days after the completion of the audit report but no
438 later than 9 months after the end of the fiscal year. In
439 conducting an audit of a local governmental entity pursuant to
440 s. 218.39, an independent certified public accountant shall
441 determine whether the entity's annual financial report is in
442 agreement with the audited financial statements. If the audited
443 financial statements are not in agreement with the annual
444 financial report, the accountant shall specify and explain the
445 significant differences that exist between the audited financial



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446 statements and the annual financial report.

447 (2) The department shall annually by December 1 file a
448 verified report with the Governor, the Legislature, the Auditor
449 General, and the Special District Accountability Program of the
450 Department of Economic Opportunity showing the revenues, both
451 locally derived and derived from intergovernmental transfers,
452 and the expenditures of each local governmental entity, regional
453 planning council, local government finance commission, and
454 municipal power corporation that is required to submit an annual
455 financial report. In preparing the verified report, the
456 department may request additional information from the local
457 governmental entity. The information requested must be provided
458 to the department within 45 days after the request. If the local
459 governmental entity does not comply with the request, the
460 department shall notify the Legislative Auditing Committee,
461 which may take action pursuant to s. 11.40(2). The report must
462 include, but is not limited to:

463 (a) The total revenues and expenditures of each local
464 governmental entity that is a component unit included in the
465 annual financial report of the reporting entity.

466 (b) The amount of outstanding long-term debt by each local
467 governmental entity. For purposes of this paragraph, the term
468 "long-term debt" means any agreement or series of agreements to
469 pay money, which, at inception, contemplate terms of payment
470 exceeding 1 year in duration.

471 Section 13. Present subsection (3) of section 218.33,
472 Florida Statutes, is renumbered as subsection (4), and a new
473 subsection (3) is added to that section to read:

474 218.33 Local governmental entities; establishment of



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475 uniform fiscal years and accounting practices and procedures.-

476 (3) Each local governmental entity shall establish and
477 maintain internal controls designed to:

478 (a) Prevent and detect fraud, waste, and abuse as defined
479 in s. 11.45(1).

480 (b) Promote and encourage compliance with applicable laws,
481 rules, contracts, grant agreements, and best practices.

482 (c) Support economical and efficient operations.

483 (d) Ensure reliability of financial records and reports.

484 (e) Safeguard assets.

485 Section 14. Present subsections (8) through (12) of section
486 218.39, Florida Statutes, are renumbered as subsections (9)
487 through (13), respectively, and a new subsection (8) is added to
488 that section to read:

489 218.39 Annual financial audit reports.-

490 (8) If the audit report includes a recommendation that was
491 included in the preceding financial audit report but remains
492 unaddressed, the governing body of the audited entity, within 60
493 days after the delivery of the audit report to the governing
494 body, shall indicate during a regularly scheduled public meeting
495 whether it intends to take corrective action, the intended
496 corrective action, and the timeframe for the corrective action.
497 If the governing body indicates that it does not intend to take
498 corrective action, it must explain its decision at the public
499 meeting.

500 Section 15. Subsection (2) of section 218.391, Florida
501 Statutes, is amended to read:

502 218.391 Auditor selection procedures.-

503 (2) The governing body of a ~~charter~~ county, municipality,



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504 special district, district school board, charter school, or
505 charter technical career center shall establish an audit
506 committee.

507 (a) The audit committee for a county ~~Each noncharter county~~
508 ~~shall establish an audit committee that,~~ at a minimum, shall
509 consist of each of the county officers elected pursuant to the
510 county charter or s. 1(d), Art. VIII of the State Constitution,
511 or their respective designees ~~a designee,~~ and one member of the
512 board of county commissioners or its designee.

513 (b) The audit committee for a municipality, special
514 district, district school board, charter school, or charter
515 technical career center shall consist of at least three members.
516 One member of the audit committee must be a member of the
517 governing body of an entity specified in this paragraph, who
518 shall also serve as the chair of the committee.

519 (c) An employee, the chief executive officer, or the chief
520 financial officer of the county, municipality, special district,
521 district school board, charter school, or charter technical
522 career center may not serve as a member of an audit committee
523 established under this subsection.

524 (d) The primary purpose of the audit committee is to assist
525 the governing body in selecting an auditor to conduct the annual
526 financial audit required in s. 218.39; however, the audit
527 committee may serve other audit oversight purposes as determined
528 by the entity's governing body. The public may ~~shall~~ not be
529 excluded from the proceedings under this section.

530 Section 16. Subsection (2) of section 286.0114, Florida
531 Statutes, is amended to read:

532 286.0114 Public meetings; reasonable opportunity to be



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533 heard; attorney fees.—

534 (2) Members of the public shall be given a reasonable
535 opportunity to be heard on a proposition before a board or
536 commission. The opportunity to be heard need not occur at the
537 same meeting at which the board or commission takes official
538 action on the proposition if the opportunity occurs at a meeting
539 that is during the decisionmaking process and is within
540 reasonable proximity in time before the meeting at which the
541 board or commission takes the official action. A board or
542 commission may not require a member of the public to provide an
543 advance written copy of his or her testimony or comments as a
544 condition of being given the opportunity to be heard at a
545 meeting. This section does not prohibit a board or commission
546 from maintaining orderly conduct or proper decorum in a public
547 meeting. The opportunity to be heard is subject to rules or
548 policies adopted by the board or commission, as provided in
549 subsection (4).

550 Section 17. Paragraph (e) of subsection (4), paragraph (d)
551 of subsection (5), and paragraph (d) of subsection (6) of
552 section 373.536, Florida Statutes, are amended to read:

553 373.536 District budget and hearing thereon.—

554 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

555 (e) ~~By September 1, 2012,~~ Each district shall provide a
556 monthly financial statement in the form and manner prescribed by
557 the Department of Financial Services to the district's governing
558 board and make such monthly financial statement available for
559 public access on its website.

560 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
561 APPROVAL.—



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562 (d) Each district shall, by August 1 of each year, submit
563 for review a tentative budget and a description of any
564 significant changes from the preliminary budget submitted to the
565 Legislature pursuant to s. 373.535 to the Governor, the
566 President of the Senate, the Speaker of the House of
567 Representatives, the chairs of all legislative committees and
568 subcommittees having substantive or fiscal jurisdiction over
569 water management districts, as determined by the President of
570 the Senate or the Speaker of the House of Representatives, as
571 applicable, the secretary of the department, and the governing
572 body of each county in which the district has jurisdiction or
573 derives any funds for the operations of the district. The
574 tentative budget must be posted on the district's official
575 website at least 2 days before budget hearings held pursuant to
576 s. 200.065 or other law and must remain on the website for at
577 least 45 days.

578 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
579 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

580 (d) The final adopted budget must be posted on the water
581 management district's official website within 30 days after
582 adoption and must remain on the website for at least 2 years.

583 Section 18. Paragraph (1) of subsection (12) of section
584 1001.42, Florida Statutes, is amended to read:

585 1001.42 Powers and duties of district school board.—The
586 district school board, acting as a board, shall exercise all
587 powers and perform all duties listed below:

588 (12) FINANCE.—Take steps to assure students adequate
589 educational facilities through the financial procedure
590 authorized in chapters 1010 and 1011 and as prescribed below:



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591 (1) *Internal auditor.*—May employ an internal auditor to
592 perform ongoing financial verification of the financial records
593 of the school district and such other audits and reviews as the
594 district school board directs for the purpose of determining:

595 1. The adequacy of internal controls designed to prevent
596 and detect fraud, waste, and abuse as defined in s. 11.45(1).

597 2. Compliance with applicable laws, rules, contracts, grant
598 agreements, district school board-approved policies, and best
599 practices.

600 3. The efficiency of operations.

601 4. The reliability of financial records and reports.

602 5. The safeguarding of assets.

603

604 The internal auditor shall report directly to the district
605 school board or its designee.

606 Section 19. Paragraph (j) of subsection (9) of section
607 1002.33, Florida Statutes, is amended to read:

608 1002.33 Charter schools.—

609 (9) CHARTER SCHOOL REQUIREMENTS.—

610 (j) The governing body of the charter school shall be
611 responsible for:

612 1. Establishing and maintaining internal controls designed
613 to:

614 a. Prevent and detect fraud, waste, and abuse as defined in
615 s. 11.45(1).

616 b. Promote and encourage compliance with applicable laws,
617 rules, contracts, grant agreements, and best practices.

618 c. Support economical and efficient operations.

619 d. Ensure reliability of financial records and reports.



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620 e. Safeguard assets.

621 ~~2.1.~~ Ensuring that the charter school has retained the
622 services of a certified public accountant or auditor for the
623 annual financial audit, pursuant to s. 1002.345(2), who shall
624 submit the report to the governing body.

625 ~~3.2.~~ Reviewing and approving the audit report, including
626 audit findings and recommendations for the financial recovery
627 plan.

628 ~~4.a.3.a.~~ Performing the duties in s. 1002.345, including
629 monitoring a corrective action plan.

630 b. Monitoring a financial recovery plan in order to ensure
631 compliance.

632 ~~5.4.~~ Participating in governance training approved by the
633 department which must include government in the sunshine,
634 conflicts of interest, ethics, and financial responsibility.

635 Section 20. Present subsections (6) through (10) of section
636 1002.37, Florida Statutes, are renumbered as subsections (7)
637 through (11), respectively, a new subsection (6) is added to
638 that section, and present subsections (6) and (11) of that
639 section are amended, to read:

640 1002.37 The Florida Virtual School.—

641 (6) The Florida Virtual School shall have an annual
642 financial audit of its accounts and records conducted by an
643 independent auditor who is a certified public accountant
644 licensed under chapter 473. The independent auditor shall
645 conduct the audit in accordance with rules adopted by the
646 Auditor General pursuant to s. 11.45 and, upon completion of the
647 audit, shall prepare an audit report in accordance with such
648 rules. The audit report must include a written statement by the



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649 board of trustees describing corrective action to be taken in
650 response to each of the recommendations of the independent
651 auditor included in the audit report. The independent auditor
652 shall submit the audit report to the board of trustees and the
653 Auditor General no later than 9 months after the end of the
654 preceding fiscal year.

655 (7)~~(6)~~ The board of trustees shall annually submit to the
656 Governor, the Legislature, the Commissioner of Education, and
657 the State Board of Education the audit report prepared pursuant
658 to subsection (6) and a complete and detailed report setting
659 forth:

660 (a) The operations and accomplishments of the Florida
661 Virtual School within the state and those occurring outside the
662 state as Florida Virtual School Global.

663 (b) The marketing and operational plan for the Florida
664 Virtual School and Florida Virtual School Global, including
665 recommendations regarding methods for improving the delivery of
666 education through the Internet and other distance learning
667 technology.

668 (c) The assets and liabilities of the Florida Virtual
669 School and Florida Virtual School Global at the end of the
670 fiscal year.

671 ~~(d) A copy of an annual financial audit of the accounts and~~
672 ~~records of the Florida Virtual School and Florida Virtual School~~
673 ~~Global, conducted by an independent certified public accountant~~
674 ~~and performed in accordance with rules adopted by the Auditor~~
675 ~~General.~~

676 (d)~~(e)~~ Recommendations regarding the unit cost of providing
677 services to students through the Florida Virtual School and



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678 Florida Virtual School Global. In order to most effectively
679 develop public policy regarding any future funding of the
680 Florida Virtual School, it is imperative that the cost of the
681 program is accurately identified. The identified cost of the
682 program must be based on reliable data.

683 (e) ~~(f)~~ Recommendations regarding an accountability
684 mechanism to assess the effectiveness of the services provided
685 by the Florida Virtual School and Florida Virtual School Global.

686 ~~(11) The Auditor General shall conduct an operational audit~~
687 ~~of the Florida Virtual School, including Florida Virtual School~~
688 ~~Global. The scope of the audit shall include, but not be limited~~
689 ~~to, the administration of responsibilities relating to~~
690 ~~personnel; procurement and contracting; revenue production;~~
691 ~~school funds, including internal funds; student enrollment~~
692 ~~records; franchise agreements; information technology~~
693 ~~utilization, assets, and security; performance measures and~~
694 ~~standards; and accountability. The final report on the audit~~
695 ~~shall be submitted to the President of the Senate and the~~
696 ~~Speaker of the House of Representatives no later than January~~
697 ~~31, 2014.~~

698 Section 21. Subsection (5) is added to section 1010.01,
699 Florida Statutes, to read:

700 1010.01 Uniform records and accounts.—

701 (5) Each school district, Florida College System
702 institution, and state university shall establish and maintain
703 internal controls designed to:

704 (a) Prevent and detect fraud, waste, and abuse as defined
705 in s. 11.45(1).

706 (b) Promote and encourage compliance with applicable laws,



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707 rules, contracts, grant agreements, and best practices.

708 (c) Support economical and efficient operations.

709 (d) Ensure reliability of financial records and reports.

710 (e) Safeguard assets.

711 Section 22. Subsection (2) of section 1010.30, Florida
712 Statutes, is amended to read:

713 1010.30 Audits required.—

714 (2) If a school district, Florida College System

715 institution, or university audit report includes a

716 recommendation that was included in the preceding financial

717 audit report but remains unaddressed ~~an audit contains a~~

718 ~~significant finding~~, the district school board, the Florida

719 College System institution board of trustees, or the university

720 board of trustees, within 60 days after the delivery of the

721 audit report to the school district, Florida College System

722 institution, or university, shall indicate ~~conduct an audit~~

723 ~~overview~~ during a regularly scheduled public meeting whether it

724 intends to take corrective action, the intended corrective

725 action, and the timeframe for the corrective action. If the

726 district school board, Florida College System institution board

727 of trustees, or university board of trustees indicates that it

728 does not intend to take corrective action, it shall explain its

729 decision at the public meeting.

730 Section 23. Subsection (3) of section 218.503, Florida
731 Statutes, is amended to read:

732 218.503 Determination of financial emergency.—

733 (3) Upon notification that one or more of the conditions in

734 subsection (1) have occurred or will occur if action is not

735 taken to assist the local governmental entity or district school



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736 board, the Governor or his or her designee shall contact the
737 local governmental entity or the Commissioner of Education or
738 his or her designee shall contact the district school board, as
739 appropriate, to determine what actions have been taken by the
740 local governmental entity or the district school board to
741 resolve or prevent the condition. The information requested must
742 be provided within 45 days after the date of the request. If the
743 local governmental entity or the district school board does not
744 comply with the request, the Governor or his or her designee or
745 the Commissioner of Education or his or her designee shall
746 notify ~~the members of~~ the Legislative Auditing Committee, which
747 ~~who~~ may take action pursuant to s. 11.40(2) ~~11.40~~. The Governor
748 or the Commissioner of Education, as appropriate, shall
749 determine whether the local governmental entity or the district
750 school board needs state assistance to resolve or prevent the
751 condition. If state assistance is needed, the local governmental
752 entity or district school board is considered to be in a state
753 of financial emergency. The Governor or the Commissioner of
754 Education, as appropriate, has the authority to implement
755 measures as set forth in ss. 218.50-218.504 to assist the local
756 governmental entity or district school board in resolving the
757 financial emergency. Such measures may include, but are not
758 limited to:

759 (a) Requiring approval of the local governmental entity's
760 budget by the Governor or approval of the district school
761 board's budget by the Commissioner of Education.

762 (b) Authorizing a state loan to a local governmental entity
763 and providing for repayment of same.

764 (c) Prohibiting a local governmental entity or district



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765 school board from issuing bonds, notes, certificates of
766 indebtedness, or any other form of debt until such time as it is
767 no longer subject to this section.

768 (d) Making such inspections and reviews of records,
769 information, reports, and assets of the local governmental
770 entity or district school board as are needed. The appropriate
771 local officials shall cooperate in such inspections and reviews.

772 (e) Consulting with officials and auditors of the local
773 governmental entity or the district school board and the
774 appropriate state officials regarding any steps necessary to
775 bring the books of account, accounting systems, financial
776 procedures, and reports into compliance with state requirements.

777 (f) Providing technical assistance to the local
778 governmental entity or the district school board.

779 (g)1. Establishing a financial emergency board to oversee
780 the activities of the local governmental entity or the district
781 school board. If a financial emergency board is established for
782 a local governmental entity, the Governor shall appoint board
783 members and select a chair. If a financial emergency board is
784 established for a district school board, the State Board of
785 Education shall appoint board members and select a chair. The
786 financial emergency board shall adopt such rules as are
787 necessary for conducting board business. The board may:

788 a. Make such reviews of records, reports, and assets of the
789 local governmental entity or the district school board as are
790 needed.

791 b. Consult with officials and auditors of the local
792 governmental entity or the district school board and the
793 appropriate state officials regarding any steps necessary to



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794 bring the books of account, accounting systems, financial
795 procedures, and reports of the local governmental entity or the
796 district school board into compliance with state requirements.

797 c. Review the operations, management, efficiency,
798 productivity, and financing of functions and operations of the
799 local governmental entity or the district school board.

800 d. Consult with other governmental entities for the
801 consolidation of all administrative direction and support
802 services, including, but not limited to, services for asset
803 sales, economic and community development, building inspections,
804 parks and recreation, facilities management, engineering and
805 construction, insurance coverage, risk management, planning and
806 zoning, information systems, fleet management, and purchasing.

807 2. The recommendations and reports made by the financial
808 emergency board must be submitted to the Governor for local
809 governmental entities or to the Commissioner of Education and
810 the State Board of Education for district school boards for
811 appropriate action.

812 (h) Requiring and approving a plan, to be prepared by
813 officials of the local governmental entity or the district
814 school board in consultation with the appropriate state
815 officials, prescribing actions that will cause the local
816 governmental entity or district school board to no longer be
817 subject to this section. The plan must include, but need not be
818 limited to:

819 1. Provision for payment in full of obligations outlined in
820 subsection (1), designated as priority items, which are
821 currently due or will come due.

822 2. Establishment of priority budgeting or zero-based



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823 budgeting in order to eliminate items that are not affordable.

824 3. The prohibition of a level of operations which can be
825 sustained only with nonrecurring revenues.

826 4. Provisions implementing the consolidation, sourcing, or
827 discontinuance of all administrative direction and support
828 services, including, but not limited to, services for asset
829 sales, economic and community development, building inspections,
830 parks and recreation, facilities management, engineering and
831 construction, insurance coverage, risk management, planning and
832 zoning, information systems, fleet management, and purchasing.

833 Section 24. Subsection (2) of section 1002.455, Florida
834 Statutes, is amended to read:

835 1002.455 Student eligibility for K-12 virtual instruction.—

836 (2) A student is eligible to participate in virtual
837 instruction if:

838 (a) The student spent the prior school year in attendance
839 at a public school in the state and was enrolled and reported by
840 the school district for funding during October and February for
841 purposes of the Florida Education Finance Program surveys;

842 (b) The student is a dependent child of a member of the
843 United States Armed Forces who was transferred within the last
844 12 months to this state from another state or from a foreign
845 country pursuant to a permanent change of station order;

846 (c) The student was enrolled during the prior school year
847 in a virtual instruction program under s. 1002.45 or a full-time
848 Florida Virtual School program under s. 1002.37(9)(a)
849 ~~1002.37(8)(a)~~;

850 (d) The student has a sibling who is currently enrolled in
851 a virtual instruction program and the sibling was enrolled in



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852 that program at the end of the prior school year;

853 (e) The student is eligible to enter kindergarten or first
854 grade; or

855 (f) The student is eligible to enter grades 2 through 5 and
856 is enrolled full-time in a school district virtual instruction
857 program, virtual charter school, or the Florida Virtual School.

858 Section 25. The Legislature finds that a proper and
859 legitimate state purpose is served when internal controls are
860 established to prevent and detect fraud, waste, and abuse and to
861 safeguard and account for government funds and property.

862 Therefore, the Legislature determines and declares that this act
863 fulfills an important state interest.

864 Section 26. This act shall take effect July 1, 2017.

866 ===== T I T L E A M E N D M E N T =====

867 And the title is amended as follows:

868 Delete everything before the enacting clause
869 and insert:

870 A bill to be entitled
871 An act relating to government accountability; amending
872 s. 11.40, F.S.; specifying that the Governor, the
873 Commissioner of Education, or the designee of the
874 Governor or of the commissioner may notify the
875 Legislative Auditing Committee of an entity's failure
876 to comply with certain auditing and financial
877 reporting requirements; amending s. 11.45, F.S.;
878 defining the terms "abuse," "fraud," and "waste";
879 revising the definition of the term "local
880 governmental entity"; excluding water management



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881 districts from certain audit requirements; removing a
882 cross-reference; authorizing the Auditor General to
883 conduct audits of tourist development councils and
884 county tourism promotion agencies; revising reporting
885 requirements applicable to the Auditor General;
886 amending s. 28.35, F.S.; revising reporting
887 requirements applicable to the Florida Clerks of Court
888 Operations Corporation; amending s. 43.16, F.S.;
889 revising the responsibilities of the Justice
890 Administrative Commission, each state attorney, each
891 public defender, the criminal conflict and civil
892 regional counsel, the capital collateral regional
893 counsel, and the Guardian Ad Litem Program, to include
894 the establishment and maintenance of certain internal
895 controls; amending s. 112.061, F.S.; revising certain
896 lodging rates for the purpose of reimbursement to
897 specified employees; authorizing an employee to expend
898 his or her funds for certain lodging expenses;
899 amending ss. 129.03, 129.06, and 166.241, F.S.;
900 requiring counties and municipalities to maintain
901 certain budget documents on the entities' websites for
902 a specified period; amending s. 215.86, F.S.; revising
903 the purposes for which management systems and internal
904 controls must be established and maintained by each
905 state agency and the judicial branch; amending s.
906 215.97, F.S.; revising certain audit threshold
907 requirements; amending s. 215.985, F.S.; revising the
908 requirements for a monthly financial statement
909 provided by a water management district; amending s.



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910 218.32, F.S.; revising the requirements for the annual
911 financial audit report of a local governmental entity;
912 authorizing the Department of Financial Services to
913 request additional information from a local
914 governmental entity; requiring a local governmental
915 entity to respond to such requests within a specified
916 timeframe; requiring the department to notify the
917 Legislative Auditing Committee of noncompliance;
918 amending s. 218.33, F.S.; requiring local governmental
919 entities to establish and maintain internal controls
920 to achieve specified purposes; amending s. 218.39,
921 F.S.; requiring an audited entity to respond to audit
922 recommendations under specified circumstances;
923 amending s. 218.391, F.S.; revising the membership of
924 the audit committee of certain governing bodies;
925 prohibiting an audit committee member from being an
926 employee, a chief executive officer, or a chief
927 financial officer of the respective governmental
928 entity; amending s. 286.0114, F.S.; prohibiting a
929 board or commission from requiring an advance copy of
930 testimony or comments from a member of the public as a
931 precondition to being given the opportunity to be
932 heard at a public meeting; amending s. 373.536, F.S.;
933 deleting obsolete language; requiring water management
934 districts to maintain certain budget documents on the
935 districts' websites for a specified period; amending
936 s. 1001.42, F.S.; authorizing additional internal
937 audits as directed by the district school board;
938 amending s. 1002.33, F.S.; revising the



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939 responsibilities of the governing board of a charter
940 school to include the establishment and maintenance of
941 internal controls; removing obsolete provisions;
942 amending s. 1002.37, F.S.; requiring completion of an
943 annual financial audit of the Florida Virtual School;
944 specifying audit requirements; requiring an audit
945 report to be submitted to the board of trustees of the
946 Florida Virtual School and the Auditor General;
947 deleting obsolete provisions; amending s. 1010.01,
948 F.S.; requiring each school district, Florida College
949 System institution, and state university to establish
950 and maintain certain internal controls; amending s.
951 1010.30, F.S.; requiring a district school board,
952 Florida College System institution board of trustees,
953 or university board of trustees to respond to audit
954 recommendations under certain circumstances; amending
955 ss. 218.503 and 1002.455, F.S.; conforming provisions
956 and cross-references to changes made by the act;
957 declaring that the act fulfills an important state
958 interest; providing an effective date.

By Senator Stargel

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1 A bill to be entitled
2 An act relating to government accountability; amending
3 s. 11.40, F.S.; specifying that the Governor, the
4 Commissioner of Education, or the designee of the
5 Governor or of the commissioner may notify the
6 Legislative Auditing Committee of an entity's failure
7 to comply with certain auditing and financial
8 reporting requirements; amending s. 11.45, F.S.;
9 defining the terms "abuse," "fraud," and "waste";
10 revising definitions; removing a cross-reference;
11 authorizing the Auditor General to conduct audits of
12 tourist development councils and county tourism
13 promotion agencies; revising reporting requirements
14 applicable to the Auditor General; amending s. 43.16,
15 F.S.; revising the responsibilities of the Justice
16 Administrative Commission, each state attorney, each
17 public defender, the criminal conflict and civil
18 regional counsel, the capital collateral regional
19 counsel, and the Guardian Ad Litem Program to include
20 the establishment and maintenance of certain internal
21 controls; amending ss. 129.03, 129.06, and 166.241,
22 F.S.; requiring counties and municipalities to
23 maintain certain budget documents on the entities'
24 websites for a specified period; amending s. 215.86,
25 F.S.; revising the purposes for which management
26 systems and internal controls must be established and
27 maintained by each state agency and the judicial
28 branch; amending s. 215.97, F.S.; revising certain
29 audit threshold requirements; amending s. 215.985,
30 F.S.; revising the requirements for a monthly
31 financial statement provided by a water management
32 district; amending s. 218.32, F.S.; revising the

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33 requirements of the annual financial audit report of a
34 local governmental entity; authorizing the Department
35 of Financial Services to request additional
36 information from a local governmental entity;
37 requiring a local governmental entity to respond to
38 such requests within a specified timeframe; requiring
39 the department to notify the Legislative Auditing
40 Committee of noncompliance; amending s. 218.33, F.S.;
41 requiring local governmental entities to establish and
42 maintain internal controls to achieve specified
43 purposes; amending s. 218.39, F.S.; requiring an
44 audited entity to respond to audit recommendations
45 under specified circumstances; amending s. 286.0114,
46 F.S.; prohibiting a board or commission from requiring
47 an advance copy of testimony or comments from a member
48 of the public as a precondition to being given the
49 opportunity to be heard at a public meeting; amending
50 s. 373.536, F.S.; deleting obsolete language;
51 requiring water management districts to maintain
52 certain budget documents on the districts' websites
53 for a specified period; amending s. 1001.42, F.S.;
54 authorizing additional internal audits as directed by
55 the district school board; amending s. 1002.33, F.S.;
56 revising the responsibilities of the governing board
57 of a charter school to include the establishment and
58 maintenance of internal controls; amending s. 1010.01,
59 F.S.; requiring each school district, Florida College
60 System institution, and state university to establish
61 and maintain certain internal controls; amending s.

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62 1010.30, F.S.; requiring a district school board,
63 Florida College System institution board of trustees,
64 or university board of trustees to respond to audit
65 recommendations under certain circumstances; declaring
66 that the act fulfills an important state interest;
67 providing an effective date.
68

69 Be It Enacted by the Legislature of the State of Florida:
70

71 Section 1. Subsection (2) of section 11.40, Florida
72 Statutes, is amended to read:

73 11.40 Legislative Auditing Committee.—

74 (2) Following notification by the Auditor General, the
75 Department of Financial Services, ~~or~~ the Division of Bond
76 Finance of the State Board of Administration, the Governor or
77 his or her designee, or the Commissioner of Education or his or
78 her designee of the failure of a local governmental entity,
79 district school board, charter school, or charter technical
80 career center to comply with the applicable provisions within s.
81 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
82 Legislative Auditing Committee may schedule a hearing to
83 determine if the entity should be subject to further state
84 action. If the committee determines that the entity should be
85 subject to further state action, the committee shall:

86 (a) In the case of a local governmental entity or district
87 school board, direct the Department of Revenue and the
88 Department of Financial Services to withhold any funds not
89 pledged for bond debt service satisfaction which are payable to
90 such entity until the entity complies with the law. The

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91 committee shall specify the date that such action must ~~shall~~
92 begin, and the directive must be received by the Department of
93 Revenue and the Department of Financial Services 30 days before
94 the date of the distribution mandated by law. The Department of
95 Revenue and the Department of Financial Services may implement
96 ~~the provisions of~~ this paragraph.

97 (b) In the case of a special district created by:

98 1. A special act, notify the President of the Senate, the
99 Speaker of the House of Representatives, the standing committees
100 of the Senate and the House of Representatives charged with
101 special district oversight as determined by the presiding
102 officers of each respective chamber, the legislators who
103 represent a portion of the geographical jurisdiction of the
104 special district, and the Department of Economic Opportunity
105 that the special district has failed to comply with the law.
106 Upon receipt of notification, the Department of Economic
107 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
108 If the special district remains in noncompliance after the
109 process set forth in s. 189.0651, or if a public hearing is not
110 held, the Legislative Auditing Committee may request the
111 department to proceed pursuant to s. 189.067(3).

112 2. A local ordinance, notify the chair or equivalent of the
113 local general-purpose government pursuant to s. 189.0652 and the
114 Department of Economic Opportunity that the special district has
115 failed to comply with the law. Upon receipt of notification, the
116 department shall proceed pursuant to s. 189.062 or s. 189.067.
117 If the special district remains in noncompliance after the
118 process set forth in s. 189.0652, or if a public hearing is not
119 held, the Legislative Auditing Committee may request the

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120 department to proceed pursuant to s. 189.067(3).

121 3. Any manner other than a special act or local ordinance,
122 notify the Department of Economic Opportunity that the special
123 district has failed to comply with the law. Upon receipt of
124 notification, the department shall proceed pursuant to s.
125 189.062 or s. 189.067(3).

126 (c) In the case of a charter school or charter technical
127 career center, notify the appropriate sponsoring entity, which
128 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

129 Section 2. Subsection (1), paragraph (u) of subsection (3),
130 and paragraph (i) of subsection (7) of section 11.45, Florida
131 Statutes, are amended, and paragraph (x) is added to subsection
132 (3) of that section, to read:

133 11.45 DEFINITIONS; duties; authorities; reports; rules.—

134 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:

135 (a) "Abuse" means behavior that is deficient or improper
136 when compared with behavior that a prudent person would consider
137 a reasonable and necessary operational practice given the facts
138 and circumstances. The term includes the misuse of authority or
139 position for personal gain.

140 (b)~~(a)~~ "Audit" means a financial audit, operational audit,
141 or performance audit.

142 (c)~~(b)~~ "County agency" means a board of county
143 commissioners or other legislative and governing body of a
144 county, however styled, including that of a consolidated or
145 metropolitan government, a clerk of the circuit court, a
146 separate or ex officio clerk of the county court, a sheriff, a
147 property appraiser, a tax collector, a supervisor of elections,
148 or any other officer in whom any portion of the fiscal duties of

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149 a body or officer expressly stated in this paragraph are the
150 ~~above are under law~~ separately placed by law.

151 (d)~~(e)~~ "Financial audit" means an examination of financial
152 statements in order to express an opinion on the fairness with
153 which they are presented in conformity with generally accepted
154 accounting principles and an examination to determine whether
155 operations are properly conducted in accordance with legal and
156 regulatory requirements. Financial audits must be conducted in
157 accordance with auditing standards generally accepted in the
158 United States and government auditing standards as adopted by
159 the Board of Accountancy. When applicable, the scope of
160 financial audits must ~~shall~~ encompass the additional activities
161 necessary to establish compliance with the Single Audit Act
162 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other
163 applicable federal law.

164 (e) "Fraud" means obtaining something of value through
165 willful misrepresentation, including, but not limited to, the
166 intentional misstatements or omissions of amounts or disclosures
167 in financial statements to deceive users of financial
168 statements, theft of an entity's assets, bribery, or the use of
169 one's position for personal enrichment through the deliberate
170 misuse or misapplication of an organization's resources.

171 (f)~~(d)~~ "Governmental entity" means a state agency, a county
172 agency, or any other entity, however styled, that independently
173 exercises any type of state or local governmental function.

174 (g)~~(e)~~ "Local governmental entity" means a county agency,
175 municipality, tourist development council, county tourism
176 promotion agency, or special district as defined in s. 189.012.
177 The term, ~~but~~ does not include any housing authority established

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178 under chapter 421.

179 (h)~~(f)~~ "Management letter" means a statement of the
180 auditor's comments and recommendations.

181 (i)~~(g)~~ "Operational audit" means an audit whose purpose is
182 to evaluate management's performance in establishing and
183 maintaining internal controls, including controls designed to
184 prevent and detect fraud, waste, and abuse, and in administering
185 assigned responsibilities in accordance with applicable laws,
186 administrative rules, contracts, grant agreements, and other
187 guidelines. Operational audits must be conducted in accordance
188 with government auditing standards. Such audits examine internal
189 controls that are designed and placed in operation to promote
190 and encourage the achievement of management's control objectives
191 in the categories of compliance, economic and efficient
192 operations, reliability of financial records and reports, and
193 safeguarding of assets, and identify weaknesses in those
194 internal controls.

195 (j)~~(h)~~ "Performance audit" means an examination of a
196 program, activity, or function of a governmental entity,
197 conducted in accordance with applicable government auditing
198 standards or auditing and evaluation standards of other
199 appropriate authoritative bodies. The term includes an
200 examination of issues related to:

- 201 1. Economy, efficiency, or effectiveness of the program.
- 202 2. Structure or design of the program to accomplish its
203 goals and objectives.
- 204 3. Adequacy of the program to meet the needs identified by
205 the Legislature or governing body.
- 206 4. Alternative methods of providing program services or

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207 products.

208 5. Goals, objectives, and performance measures used by the
209 agency to monitor and report program accomplishments.

210 6. The accuracy or adequacy of public documents, reports,
211 or requests prepared under the program by state agencies.

212 7. Compliance of the program with appropriate policies,
213 rules, or laws.

214 8. Any other issues related to governmental entities as
215 directed by the Legislative Auditing Committee.

216 (k)~~(i)~~ "Political subdivision" means a separate agency or
217 unit of local government created or established by law and
218 includes, but is not limited to, the following and the officers
219 thereof: authority, board, branch, bureau, city, commission,
220 consolidated government, county, department, district,
221 institution, metropolitan government, municipality, office,
222 officer, public corporation, town, or village.

223 (l)~~(j)~~ "State agency" means a separate agency or unit of
224 state government created or established by law and includes, but
225 is not limited to, the following and the officers thereof:
226 authority, board, branch, bureau, commission, department,
227 division, institution, office, officer, or public corporation,
228 as the case may be, except any such agency or unit within the
229 legislative branch of state government other than the Florida
230 Public Service Commission.

231 (m) "Waste" means the act of using or expending resources
232 unreasonably, carelessly, extravagantly, or for no useful
233 purpose.

234 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The Auditor
235 General may, pursuant to his or her own authority, or at the

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236 direction of the Legislative Auditing Committee, conduct audits
 237 or other engagements as determined appropriate by the Auditor
 238 General of:

239 (u) The Florida Virtual School ~~pursuant to s. 1002.37.~~

240 (x) Tourist development councils and county tourism
 241 promotion agencies.

242 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

243 (i) The Auditor General shall annually transmit by July 15,
 244 to the President of the Senate, the Speaker of the House of
 245 Representatives, and the Department of Financial Services, a
 246 list of all school districts, charter schools, charter technical
 247 career centers, Florida College System institutions, state
 248 universities, and local governmental entities ~~water management~~
 249 ~~districts~~ that have failed to comply with the transparency
 250 requirements as identified in the audit reports reviewed
 251 pursuant to paragraph (b) and those conducted pursuant to
 252 subsection (2).

253 Section 3. Subsections (6) and (7) of section 43.16,
 254 Florida Statutes, are renumbered as subsections (7) and (8),
 255 respectively, and a new subsection (6) is added to that section,
 256 to read:

257 43.16 Justice Administrative Commission; membership, powers
 258 and duties.—

259 (6) The commission, each state attorney, each public
 260 defender, the criminal conflict and civil regional counsel, the
 261 capital collateral regional counsel, and the Guardian Ad Litem
 262 Program shall establish and maintain internal controls designed
 263 to:

264 (a) Prevent and detect fraud, waste, and abuse.

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265 (b) Promote and encourage compliance with applicable laws,
266 rules, contracts, grant agreements, and best practices.

267 (c) Support economical and efficient operations.

268 (d) Ensure reliability of financial records and reports.

269 (e) Safeguard assets.

270 Section 4. Paragraph (c) of subsection (3) of section
271 129.03, Florida Statutes, is amended to read:

272 129.03 Preparation and adoption of budget.—

273 (3) The county budget officer, after tentatively
274 ascertaining the proposed fiscal policies of the board for the
275 next fiscal year, shall prepare and present to the board a
276 tentative budget for the next fiscal year for each of the funds
277 provided in this chapter, including all estimated receipts,
278 taxes to be levied, and balances expected to be brought forward
279 and all estimated expenditures, reserves, and balances to be
280 carried over at the end of the year.

281 (c) The board shall hold public hearings to adopt tentative
282 and final budgets pursuant to s. 200.065. The hearings shall be
283 primarily for the purpose of hearing requests and complaints
284 from the public regarding the budgets and the proposed tax
285 levies and for explaining the budget and any proposed or adopted
286 amendments. The tentative budget must be posted on the county's
287 official website at least 2 days before the public hearing to
288 consider such budget and must remain on the website for at least
289 45 days. The final budget must be posted on the website within
290 30 days after adoption and must remain on the website for at
291 least 2 years. The tentative budgets, adopted tentative budgets,
292 and final budgets shall be filed in the office of the county
293 auditor as a public record. Sufficient reference in words and

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294 figures to identify the particular transactions must ~~shall~~ be
295 made in the minutes of the board to record its actions with
296 reference to the budgets.

297 Section 5. Paragraph (f) of subsection (2) of section
298 129.06, Florida Statutes, is amended to read:

299 129.06 Execution and amendment of budget.—

300 (2) The board at any time within a fiscal year may amend a
301 budget for that year, and may within the first 60 days of a
302 fiscal year amend the budget for the prior fiscal year, as
303 follows:

304 (f) Unless otherwise prohibited by law, if an amendment to
305 a budget is required for a purpose not specifically authorized
306 in paragraphs (a)-(e), the amendment may be authorized by
307 resolution or ordinance of the board of county commissioners
308 adopted following a public hearing.

309 1. The public hearing must be advertised at least 2 days,
310 but not more than 5 days, before the date of the hearing. The
311 advertisement must appear in a newspaper of paid general
312 circulation and must identify the name of the taxing authority,
313 the date, place, and time of the hearing, and the purpose of the
314 hearing. The advertisement must also identify each budgetary
315 fund to be amended, the source of the funds, the use of the
316 funds, and the total amount of each fund's appropriations.

317 2. If the board amends the budget pursuant to this
318 paragraph, the adopted amendment must be posted on the county's
319 official website within 5 days after adoption and must remain on
320 the website for at least 2 years.

321 Section 6. Subsections (3) and (5) of section 166.241,
322 Florida Statutes, are amended to read:

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323 166.241 Fiscal years, budgets, and budget amendments.—

324 (3) The tentative budget must be posted on the
325 municipality's official website at least 2 days before the
326 budget hearing, held pursuant to s. 200.065 or other law, to
327 consider such budget and must remain on the website for at least
328 45 days. The final adopted budget must be posted on the
329 municipality's official website within 30 days after adoption
330 and must remain on the website for at least 2 years. If the
331 municipality does not operate an official website, the
332 municipality must, within a reasonable period of time as
333 established by the county or counties in which the municipality
334 is located, transmit the tentative budget and final budget to
335 the manager or administrator of such county or counties who
336 shall post the budgets on the county's website.

337 (5) If the governing body of a municipality amends the
338 budget pursuant to paragraph (4) (c), the adopted amendment must
339 be posted on the official website of the municipality within 5
340 days after adoption and must remain on the website for at least
341 2 years. If the municipality does not operate an official
342 website, the municipality must, within a reasonable period of
343 time as established by the county or counties in which the
344 municipality is located, transmit the adopted amendment to the
345 manager or administrator of such county or counties who shall
346 post the adopted amendment on the county's website.

347 Section 7. Section 215.86, Florida Statutes, is amended to
348 read:

349 215.86 Management systems and controls.—Each state agency
350 and the judicial branch as defined in s. 216.011 shall establish
351 and maintain management systems and internal controls designed

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to:

- (1) Prevent and detect fraud, waste, and abuse. that
- (2) Promote and encourage compliance with applicable laws, rules, contracts, and grant agreements.
- (3) Support economical and economic, efficient, and effective operations.
- (4) Ensure reliability of financial records and reports.
- (5) Safeguard and safeguarding of assets. Accounting systems and procedures shall be designed to fulfill the requirements of generally accepted accounting principles.

Section 8. Paragraph (a) of subsection (2) of section 215.97, Florida Statutes, is amended to read:

215.97 Florida Single Audit Act.—

(2) As used in this section, the term:

(a) "Audit threshold" means the threshold amount used to determine when a state single audit or project-specific audit of a nonstate entity shall be conducted in accordance with this section. Each nonstate entity that expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such nonstate entity shall be required to have a state single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of this section. ~~Every 2 years the Auditor General,~~ After consulting with the Executive Office of the Governor, the Department of Financial Services, and all state awarding agencies, the Auditor General shall periodically review the threshold amount for requiring audits under this section and may recommend any appropriate statutory change to revise the threshold amount in the annual report submitted pursuant to s. 11.45(7)(h) to the Legislature

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381 ~~adjust such threshold amount consistent with the purposes of~~
382 ~~this section.~~

383 Section 9. Subsection (11) of section 215.985, Florida
384 Statutes, is amended to read:

385 215.985 Transparency in government spending.—

386 (11) Each water management district shall provide a monthly
387 financial statement in the form and manner prescribed by the
388 Department of Financial Services to the district's ~~its~~ governing
389 board and make such monthly financial statement available for
390 public access on its website.

391 Section 10. Paragraph (d) of subsection (1) and subsection
392 (2) of section 218.32, Florida Statutes, are amended to read:

393 218.32 Annual financial reports; local governmental
394 entities.—

395 (1)

396 (d) Each local governmental entity that is required to
397 provide for an audit under s. 218.39(1) must submit a copy of
398 the audit report and annual financial report to the department
399 within 45 days after the completion of the audit report but no
400 later than 9 months after the end of the fiscal year. In
401 conducting an audit of a local governmental entity pursuant to
402 s. 218.39, an independent certified public accountant shall
403 determine whether the entity's annual financial report is in
404 agreement with the audited financial statements. The
405 accountant's audit report must be supported by the same level of
406 detail as required for the annual financial report. If the
407 accountant's audit report is not in agreement with the annual
408 financial report, the accountant shall specify and explain the
409 significant differences that exist between the annual financial

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410 report and the audit report.

411 (2) The department shall annually by December 1 file a
 412 verified report with the Governor, the Legislature, the Auditor
 413 General, and the Special District Accountability Program of the
 414 Department of Economic Opportunity showing the revenues, both
 415 locally derived and derived from intergovernmental transfers,
 416 and the expenditures of each local governmental entity, regional
 417 planning council, local government finance commission, and
 418 municipal power corporation that is required to submit an annual
 419 financial report. In preparing the verified report, the
 420 department may request additional information from the local
 421 governmental entity. The information requested must be provided
 422 to the department within 45 days after the request. If the local
 423 governmental entity does not comply with the request, the
 424 department shall notify the Legislative Auditing Committee,
 425 which may take action pursuant to s. 11.40(2). The report must
 426 include, but is not limited to:

427 (a) The total revenues and expenditures of each local
 428 governmental entity that is a component unit included in the
 429 annual financial report of the reporting entity.

430 (b) The amount of outstanding long-term debt by each local
 431 governmental entity. For purposes of this paragraph, the term
 432 "long-term debt" means any agreement or series of agreements to
 433 pay money, which, at inception, contemplate terms of payment
 434 exceeding 1 year in duration.

435 Section 11. Present subsection (3) of section 218.33,
 436 Florida Statutes, is renumbered as subsection (4), and a new
 437 subsection (3) is added to that section, to read:

438 218.33 Local governmental entities; establishment of

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439 uniform fiscal years and accounting practices and procedures.-

440 (3) Each local governmental entity shall establish and
441 maintain internal controls designed to:

442 (a) Prevent and detect fraud, waste, and abuse.

443 (b) Promote and encourage compliance with applicable laws,
444 rules, contracts, grant agreements, and best practices.

445 (c) Support economical and efficient operations.

446 (d) Ensure reliability of financial records and reports.

447 (e) Safeguard assets.

448 Section 12. Present subsections (8) through (12) of section
449 218.39, Florida Statutes, are renumbered as subsections (9)
450 through (13), respectively, and a new subsection (8) is added to
451 that section, to read:

452 218.39 Annual financial audit reports.-

453 (8) If the audit report includes a recommendation that was
454 included in the preceding financial audit report but remains
455 unaddressed, the governing body of the audited entity, within 60
456 days after the delivery of the audit report to the governing
457 body, shall indicate during a regularly scheduled public meeting
458 whether it intends to take corrective action, the intended
459 corrective action, and the timeframe for the corrective action.
460 If the governing body indicates that it does not intend to take
461 corrective action, it must explain its decision at the public
462 meeting.

463 Section 13. Subsection (2) of section 286.0114, Florida
464 Statutes, is amended to read:

465 286.0114 Public meetings; reasonable opportunity to be
466 heard; attorney fees.-

467 (2) Members of the public shall be given a reasonable

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468 opportunity to be heard on a proposition before a board or
 469 commission. The opportunity to be heard need not occur at the
 470 same meeting at which the board or commission takes official
 471 action on the proposition if the opportunity occurs at a meeting
 472 that is during the decisionmaking process and is within
 473 reasonable proximity in time before the meeting at which the
 474 board or commission takes the official action. A board or
 475 commission may not require a member of the public to provide an
 476 advance written copy of his or her testimony or comments as a
 477 condition of being given the opportunity to be heard at a
 478 meeting. This section does not prohibit a board or commission
 479 from maintaining orderly conduct or proper decorum in a public
 480 meeting. The opportunity to be heard is subject to rules or
 481 policies adopted by the board or commission, as provided in
 482 subsection (4).

483 Section 14. Paragraph (e) of subsection (4), paragraph (d)
 484 of subsection (5), and paragraph (d) of subsection (6) of
 485 section 373.536, Florida Statutes, are amended to read:

486 373.536 District budget and hearing thereon.—

487 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

488 (e) ~~By September 1, 2012,~~ Each district shall provide a
 489 monthly financial statement in the form and manner prescribed by
 490 the Department of Financial Services to the district’s governing
 491 board and make such monthly financial statement available for
 492 public access on its website.

493 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
 494 APPROVAL.—

495 (d) Each district shall, by August 1 of each year, submit
 496 for review a tentative budget and a description of any

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497 significant changes from the preliminary budget submitted to the
498 Legislature pursuant to s. 373.535 to the Governor, the
499 President of the Senate, the Speaker of the House of
500 Representatives, the chairs of all legislative committees and
501 subcommittees having substantive or fiscal jurisdiction over
502 water management districts, as determined by the President of
503 the Senate or the Speaker of the House of Representatives, as
504 applicable, the secretary of the department, and the governing
505 body of each county in which the district has jurisdiction or
506 derives any funds for the operations of the district. The
507 tentative budget must be posted on the district's official
508 website at least 2 days before budget hearings held pursuant to
509 s. 200.065 or other law and must remain on the website for at
510 least 45 days.

511 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
512 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

513 (d) The final adopted budget must be posted on the water
514 management district's official website within 30 days after
515 adoption and must remain on the website for at least 2 years.

516 Section 15. Paragraph (1) of subsection (12) of section
517 1001.42, Florida Statutes, is amended to read:

518 1001.42 Powers and duties of district school board.—The
519 district school board, acting as a board, shall exercise all
520 powers and perform all duties listed below:

521 (12) FINANCE.—Take steps to assure students adequate
522 educational facilities through the financial procedure
523 authorized in chapters 1010 and 1011 and as prescribed below:

524 (1) *Internal auditor.*—May employ an internal auditor to
525 perform ongoing financial verification of the financial records

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526 of the school district and such other audits and reviews as the
527 district school board directs for the purpose of determining:

528 1. The adequacy of internal controls designed to prevent
529 and detect fraud, waste, and abuse.

530 2. Compliance with applicable laws, rules, contracts, grant
531 agreements, district school board-approved policies, and best
532 practices.

533 3. The efficiency of operations.

534 4. The reliability of financial records and reports.

535 5. The safeguarding of assets.

536

537 The internal auditor shall report directly to the district
538 school board or its designee.

539 Section 16. Paragraph (j) of subsection (9) of section
540 1002.33, Florida Statutes, is amended to read:

541 1002.33 Charter schools.—

542 (9) CHARTER SCHOOL REQUIREMENTS.—

543 (j) The governing body of the charter school shall be
544 responsible for:

545 1. Establishing and maintaining internal controls designed
546 to:

547 a. Prevent and detect fraud, waste, and abuse.

548 b. Promote and encourage compliance with applicable laws,
549 rules, contracts, grant agreements, and best practices.

550 c. Support economical and efficient operations.

551 d. Ensure reliability of financial records and reports.

552 e. Safeguard assets.

553 ~~2.1~~ Ensuring that the charter school has retained the
554 services of a certified public accountant or auditor for the

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555 annual financial audit, pursuant to s. 1002.345(2), who shall
556 submit the report to the governing body.

557 ~~3.2.~~ Reviewing and approving the audit report, including
558 audit findings and recommendations for the financial recovery
559 plan.

560 ~~4.a.3.a.~~ Performing the duties in s. 1002.345, including
561 monitoring a corrective action plan.

562 b. Monitoring a financial recovery plan in order to ensure
563 compliance.

564 ~~5.4.~~ Participating in governance training approved by the
565 department which must include government in the sunshine,
566 conflicts of interest, ethics, and financial responsibility.

567 Section 17. Subsection (5) is added to section 1010.01,
568 Florida Statutes, to read:

569 1010.01 Uniform records and accounts.—

570 (5) Each school district, Florida College System
571 institution, and state university shall establish and maintain
572 internal controls designed to:

573 (a) Prevent and detect fraud, waste, and abuse.

574 (b) Promote and encourage compliance with applicable laws,
575 rules, contracts, grant agreements, and best practices.

576 (c) Support economical and efficient operations.

577 (d) Ensure reliability of financial records and reports.

578 (e) Safeguard assets.

579 Section 18. Subsection (2) of section 1010.30, Florida
580 Statutes, is amended to read:

581 1010.30 Audits required.—

582 (2) If a school district, Florida College System
583 institution, or university audit report includes a

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584 recommendation that was included in the preceding financial
585 audit report but remains unaddressed ~~an audit contains a~~
586 ~~significant finding,~~ the district school board, the Florida
587 College System institution board of trustees, or the university
588 board of trustees, within 60 days after the delivery of the
589 audit report to the school district, Florida College System
590 institution, or university, shall indicate ~~conduct an audit~~
591 ~~overview~~ during a regularly scheduled public meeting whether it
592 intends to take corrective action, the intended corrective
593 action, and the timeframe for the corrective action. If the
594 district school board, Florida College System institution board
595 of trustees, or university board of trustees indicates that it
596 does not intend to take corrective action, it shall explain its
597 decision at the public meeting.

598 Section 19. The Legislature finds that a proper and
599 legitimate state purpose is served when internal controls are
600 established to prevent and detect fraud, waste, and abuse and to
601 safeguard and account for government funds and property.
602 Therefore, the Legislature determines and declares that this act
603 fulfills an important state interest.

604 Section 20. This act shall take effect July 1, 2017.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR KELLI STARGEL
22nd District

COMMITTEES:

Appropriations Subcommittee on Finance and Tax,
Chair
Appropriations Subcommittee on Health and
Human Services, *Vice Chair*
Appropriations
Children, Families, and Elder Affairs
Communications, Energy, and Public Utilities
Military and Veterans Affairs, Space, and Domestic
Security

March 7, 2017

The Honorable Tom Lee
Senate Committee on Community Affairs, Chair
315 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399

Dear Chair Lee:

I respectfully request that SB 880, related to *Government Accountability*, be placed on the committee agenda at your earliest convenience.

Thank you for your consideration and please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kelli Stargel".

Kelli Stargel
State Senator, District 22

Cc: Tom Yeatman/ Staff Director
Ann Whittaker/ AA

REPLY TO:

- 2033 East Edgewood Drive, Suite 1, Lakeland, Florida 33803
- 322 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5022

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/CS/SB 190

INTRODUCER: Community Affairs Committee; Regulated Industries Committee; and Senator Artilles

SUBJECT: Low-voltage Electric Fences

DATE: March 14, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kraemer</u>	<u>McSwain</u>	<u>RI</u>	<u>Fav/CS</u>
2.	<u>Cochran</u>	<u>Yeatman</u>	<u>CA</u>	<u>Fav/CS</u>
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 190 revises s. 553.793, F.S., concerning streamlined low-voltage alarm system installation permitting, to include a new or existing low-voltage electric fence as a “low-voltage alarm system project.” A low-voltage electric fence is composed of an alarm system (a device used to detect a burglary, fire, robbery, or medical emergency) consisting of a fence structure and an energizer powered by a commercial storage battery not exceeding 12 volts that produces an electric charge upon contact with the fence structure. The ancillary components or equipment that may be attached to an alarm system or low-voltage electric fence are revised to include closed-circuit television systems, access controls, and battery-charging devices.

A low-voltage electric fence: 1) must produce a limited electric charge; 2) must be completely enclosed by a nonelectric fence or wall; 3) may be up to 2 feet higher than the perimeter nonelectric fence or wall; 4) must be identified with attached warning signs not more than 60 feet apart; 5) may not be installed in areas zoned exclusively for single-family or multifamily residential use; and 6) may not enclose portions of a property which are used for residential purposes. No further permit may be required for a low-voltage alarm system project that is composed of a low-voltage electric fence that meets all of the above requirements.

Under current law, a municipality, county, district, or other entity of local government (local government) may not adopt or maintain in effect any ordinance or rule regarding a “low-voltage alarm system project” that is inconsistent with s. 553.793, F.S., as revised in the bill. The classification of low-voltage electric fences as a “low-voltage alarm system project” will

eliminate the authority of a local government to adopt new ordinances or rules, or maintain existing ordinances or rules, concerning low-voltage electric fences.

II. Present Situation:

Part II of ch. 489, F.S., dealing with electrical and alarm system contracting, sets forth requirements for qualified persons to be licensed if they have sufficient technical expertise in the applicable trade, and have been tested on technical and business matters.¹ The Electrical Contractors' Licensing Board (board) in the Department of Business and Professional Regulation (DBPR) implements Part II of ch. 489, F.S.² An alarm system is "any electrical device, signaling device, or combination of electrical devices used to signal or detect a burglary, fire, robbery, or medical emergency."³ An alarm system includes home-automation equipment, thermostats, and video cameras.⁴

Section 489.505, F.S., specifies the types of contractors that may lay out, fabricate, install, maintain, alter, repair, monitor, inspect, replace or service alarm systems. An alarm system contractor is a person whose business includes the execution of contracts requiring the ability, experience, science, knowledge, and skill to conduct all alarm services for compensation, for all types of alarm systems for all purposes.⁵ The term also includes any person, firm, or corporation that engages in the business of alarm contracting under an expressed or implied contract or that undertakes, offers to undertake, or submits a bid to engage in the business of alarm contracting.⁶ An alarm system contractor whose business includes all types of alarm systems for all purposes is designated as an "alarm system contractor I," the practice area of an "alarm system contractor II" is identical except that it does not include fire alarm systems.⁷

The DBPR may also issue geographically unlimited certificates of competency to an alarm system contractor (certificateholder).⁸ The scope of certification is limited to specific alarm circuits and equipment.⁹ No mandatory licensure requirement is created by the availability of a certification.¹⁰

¹ See s. 489.501, F.S.

² See ss. 489.507 through 489.517, F.S., concerning the powers and duties of the board.

³ See s. 489.505(1), F.S.

⁴ See s. 553.793(1)(b), F.S.

⁵ See s. 489.505(2), F.S.

⁶ *Id.*

⁷ *Id.*

⁸ See ss. 489.505(4), 489.505(5), and 489.515(1), F.S.

⁹ Section 489.505(7), F.S., describes the limitations on the scope of a certificate of competency as those circuits originating in alarm control panels, equipment governed by the Articles 725, 760, 770, 800, and 810 of the National Electrical Code, Current Edition, and National Fire Protection Association Standard 72, Current Edition, as well as the installation, repair, fabrication, erection, alteration, addition, or design of electrical wiring, fixtures, appliances, thermostats, apparatus, raceways, and conduit, or any part thereof not to exceed 98 volts (RMS), when those items are for the purpose of transmitting data or proprietary video (satellite systems that are not part of a community antenna television or radio distribution system) or providing central vacuum capability or electric locks. RMS is the abbreviation for "root mean square," a statistical term defined as the square root of mean square. See <http://www.practicalphysics.org/explaining-rms-voltage-and-current.html> (last visited March 8, 2017).

¹⁰ *Id.*

Part IV of ch. 553, F.S., constitutes the Florida Building Codes Act (act). The act provides a mechanism for the uniform adoption, updating, amendment, interpretation, and enforcement of the Florida Building Code, consisting of a single set of documents that apply to the design, construction, erection, alteration, modification, repair, or demolition of public or private buildings, structures, or facilities, and to the enforcement of such requirements.¹¹ The Florida Building Code is adopted, modified, updated, interpreted, and maintained by the Florida Building Commission.¹²

Pursuant to s. 553.88, F.S., the current edition of the following standards are in effect to establish minimum electrical and alarm standards in Florida:

- National Electrical Code, NFPA¹³ No. 70;
- Underwriters' Laboratories, Inc. (UL), Standards for Safety, Electrical Lighting Fixtures, and Portable Lamps, UL 57 and UL 153;
- Underwriters' Laboratories, Inc., Standard for Electric Signs, UL 48;
- The provisions of the following which prescribe minimum electrical and alarm standards:
 - NFPA No. 56A, Inhalation Anesthetics;
 - NFPA No. 56B, Respiratory Therapy;
 - NFPA No. 56C, Laboratories in Health-related Institutions;
 - NFPA No. 56D, Hyperbaric Facilities;
 - NFPA No. 56F, Nonflammable Medical Gas Systems;
 - NFPA No. 72, National Fire Alarm Code; and
 - NFPA No. 76A, Essential Electrical Systems for Health Care Facilities;
- The rules and regulations of the Department of Health, entitled "Nursing Homes and Related Facilities Licensure"; and
- The minimum standards for grounding of portable electric equipment in Florida Administrative Code Rule Chapter 8C-27, as recommended by the Division of Workers' Compensation in the Department of Financial Services.

Section 553.71(5), F.S., provides that a local enforcement agency¹⁴ is an agency with jurisdiction to make inspections of buildings and to enforce the codes which establish standards for design, construction, erection, alteration, repair, modification, or demolition of public or private buildings, structures, or facilities. A local enforcement agency must make uniform permit labels available for purchase by a contractor for the installation or replacement of a new or existing alarm system for not more than \$40 per label per project per unit, and may not require the

¹¹ See s. 553.72(1), F.S., which also indicates that effective and reasonable protection for public safety, health, and general welfare at the most reasonable cost to the consumer is also intended.

¹² See s. 553.72(3), F.S.

¹³ NFPA is the acronym for the National Fire Protection Association, which is an international nonprofit organization established in 1896. Its mission is to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus codes, standards, research, training and education. The NFPA develops, publishes, and disseminates more than 300 consensus codes and standards intended to minimize the possibility and effects of fire and other risks. See <http://www.nfpa.org/about-nfpa> (last visited March 8, 2017).

¹⁴ Section 553.71(5), F.S., of the Florida Building Codes Act defines local enforcement agency as an agency of local government, a local school board, a community college board of trustees, or a university board of trustees in the State University System with jurisdiction to make inspections of buildings and to enforce the codes which establish standards for design, construction, erection, alteration, repair, modification, or demolition of public or private buildings, structures, or facilities.

payment of any additional fees, charges, or expenses associated with the installation or replacement of an alarm system.¹⁵

A municipality, county, district, or other entity of local government may not adopt or maintain in effect any ordinance or rule regarding a low-voltage alarm system project that is inconsistent with s. 553.793, F.S.¹⁶

III. Effect of Proposed Changes:

The bill revises s. 553.793, F.S., dealing with streamlined low-voltage alarm system installation permitting, to include a new or existing low-voltage electric fence within the definition of a low-voltage alarm system project.

A low-voltage electric fence is composed of an alarm system as defined in s. 489.505, F.S.,¹⁷ that operates in conjunction with a fence structure and an energizer powered by a commercial storage battery not exceeding 12 volts which produces an electric charge upon contact with the fence structure.

A low-voltage electric fence:

- Must produce an electric charge upon contact that may not exceed certain energizer characteristics that are set forth in International Electrotechnical Commission Standard No. 60335-2-76;¹⁸
- Must be completely enclosed by a nonelectric fence or wall;
- May be up to 2 feet higher than the perimeter nonelectric fence or wall;
- Must be identified with attached warning signs at least 60 feet apart;
- May not be installed in areas zoned exclusively for single-family or multifamily residential use; and
- May not enclose portions of a property which are used for residential purposes.

A low-voltage electric fence must meet all of the above requirements to be permitted as a low-voltage alarm system project, and no further permit shall be required for such low-voltage alarm system project other than as provided in this section.

Section 553.793(9), F.S., prohibits a municipality, county, district, or other entity of local government from adopting or maintaining in effect any ordinance or rule regarding a “low-voltage alarm system project” inconsistent with s. 553.793, F.S.; therefore the classification of low-voltage electric fences as “low-voltage alarm system projects” will eliminate the authority of

¹⁵ See s. 553.793(4), F.S.

¹⁶ See s. 553.793(9), F.S.

¹⁷ Section 489.505, F.S., defines an alarm system as “any electrical device, signaling device, or combination of electrical devices used to signal or detect a burglary, fire, robbery, or medical emergency.”

¹⁸ The limits on energizer characteristics are those set forth in paragraph 22.108 and depicted in Figure 102 of International Electrotechnical Commission (IEC) Standard No. 60335-2-76, Current Edition (the Energizer Standard); however, the Energizer Standard does not appear to be incorporated as a reference in the Florida Administrative Code, and use of the Energizer Standard document is subject to copyright protection. See <https://webstore.iec.ch/publication/1736> (last visited March 8, 2017). The Energizer Standard is not published on the Internet and must be purchased from the IEC.

a local government to adopt new ordinances or rules, or to maintain existing ordinances or rules, concerning low-voltage electric fences.

The bill amends s. 553.793, F.S., to conform cross-references.

The bill takes effect July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

By including low-voltage electrical fences in s. 553.793, F.S., the bill requires local enforcement agencies, when permitting is required by the applicable local government entity, to charge not more than a \$40 permitting fee for the installation or replacement of a new or existing low-voltage electrical fence.

B. Private Sector Impact:

The DBPR states that the classification of a low-voltage electric fence as a low-voltage alarm system project will have no fiscal impact to the private sector.¹⁹ Representatives of a security fence company that has been in operation in the United States for more than 20 years indicate that standardization of the requirements for installation of low-voltage electric fences will assist property owners and their tenants by:

- Qualifying many property owners and tenants to receive discounts on their property insurance premiums; and
- Reducing delay and expense to property owners and tenants associated with the differing requirements for the installation of low-voltage electric fences that exist in more than 240 jurisdictions in Florida.²⁰

¹⁹ See 2017 Agency Legislative Bill Analysis (AGENCY: Department of Business and Professional Regulation) for SB 190, dated January 17, 2017 (on file with Senate Committee on Regulated Industries) at page 4.

²⁰ Conversation with R. LaFace and S. Ross with staff of the Committee on Regulated Industries in Tallahassee, Fla. (Jan. 31, 2017).

Persons who attempt to breach a low-voltage electric fence are shocked by electrical current that provides an electric charge of approximately 7,000 volts that pulses every 1.3 seconds, for a duration ranging from one ten-thousandth (0.0001) of a second to four ten-thousandths (0.0004) of a second.²¹

C. Government Sector Impact:

The DBPR states that the bill as filed will have no fiscal impact to state government, and no federal impact (i.e., no federal compliance issues, federal funding issues, or federal agency involvement).²²

VI. Technical Deficiencies:

None.

VII. Related Issues:

The Division of Professions in the DBPR commented that the installation of low-voltage electric fences may be beyond “the scope of [a] licensed alarm contractor”²³ and may cause confusion among local building departments about the type of license or certification required to install low-voltage electric fences.²⁴

The DBPR reports that the head electrical inspector in the Miami-Dade County Building Department has contacted the office of the board with concerns that plans reviewed for the types of systems used for low-voltage electrical fences “exceed the scope of work” for alarm system contractors “based on the secondary voltage.”²⁵ The DBPR indicates that portions of these systems will utilize voltages in excess of 98 volts.²⁶

Counsel for the Florida Building Commission indicates that the revisions to s. 553.793 F.S., must be incorporated into the Florida Building Code through standard rulemaking processes, and counsel for the board states that ch. 489, F.S., relating to electrical and alarm system contracting, may require an amendment to allow alarm system contractors to perform installations of low-voltage electric fences.²⁷

VIII. Statutes Affected:

This bill substantially amends section 553.793 of the Florida Statutes.

²¹ *Id.*

²² See 2017 Agency Legislative Bill Analysis (AGENCY: Department of Business and Professional Regulation) for SB 190, dated January 17, 2017 (on file with Senate Committee on Regulated Industries) at pp. 4-5.

²³ *Id.* at 5.

²⁴ *Id.*

²⁵ *Id.* at 3.

²⁶ *Id.* at 2.

²⁷ *Id.* at 5.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Community Affairs on March 14, 2017:

- Removes the word “primarily,” making it so that a low-voltage electric fence may not be installed in an area zoned exclusively for single-family or multi-family residential use in order to be permitted as a low-voltage alarm system project.
- Adds the requirement that the low-voltage electric fence may not enclose portions of a property which are used for residential purposes in order to be permitted as a low-voltage alarm system project.

CS by Regulated Industries on February 8, 2017:

- Includes the term “fence structure” in the definition of “low-voltage electric fence.”
- Revises the additional ancillary components that may be attached to an alarm system or “low-voltage electric fence” to include closed-circuit television systems, access controls; and battery-charging devices;
- Clarifies and expands the requirements for a low-voltage electric fence to:
 - Require that a nonelectric fence or wall “completely enclose” the low-voltage electric fence or wall;
 - Allow the low-voltage electric fence to be up to 2 feet higher than the perimeter nonelectric fence or wall; and
 - Prohibit, as to a low-voltage alarm system project composed of a low-voltage electric fence that meets all requirements in s. 553.793(3), F.S., created in the bill, any further permit being required for such project.

- B. **Amendments:**

None.



827660

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/14/2017	.	
	.	
	.	
	.	

The Committee on Community Affairs (Articles) recommended the following:

Senate Amendment

Delete lines 60 - 61
and insert:
an area zoned exclusively for single-family or multi-family
residential use.

(e) The low-voltage electric fence may not enclose portions
of a property which are used for residential purposes.

By the Committee on Regulated Industries; and Senator Artiles

580-01751-17

2017190c1

1 A bill to be entitled
 2 An act relating to low-voltage electric fences;
 3 amending s. 553.793, F.S.; redefining the term "low-
 4 voltage alarm system project" to include low-voltage
 5 electric fences; defining the term "low-voltage
 6 electric fence"; providing requirements for a low-
 7 voltage electric fence to be permitted as a low-
 8 voltage alarm system project; conforming a cross-
 9 reference; providing an effective date.

10
 11 Be It Enacted by the Legislature of the State of Florida:

12
 13 Section 1. Present subsections (3) through (10) of section
 14 553.793, Florida Statutes, are redesignated as subsections (4)
 15 through (11), respectively, subsection (1) and present
 16 subsection (6) of that section are amended, and a new subsection
 17 (3) is added to that section, to read:

18 553.793 Streamlined low-voltage alarm system installation
 19 permitting.—

20 (1) As used in this section, the term:

21 (a) "Contractor" means a person who is qualified to engage
 22 in the business of electrical or alarm system contracting
 23 pursuant to a certificate or registration issued by the
 24 department under part II of chapter 489.

25 (b) "Low-voltage alarm system project" means a project
 26 related to the installation, maintenance, inspection,
 27 replacement, or service of a new or existing alarm system, as
 28 defined in s. 489.505, which ~~that~~ is hardwired and operating at
 29 low voltage, as defined in the National Electrical Code Standard
 30 70, Current Edition, or a new or existing low-voltage electric
 31 fence, and ancillary components or equipment attached to such a
 32 system or fence, including, but not limited to, home-automation

580-01751-17

2017190c1

33 equipment, thermostats, closed-circuit television systems,
34 access controls, battery-charging devices, and video cameras.

35 (c) "Low-voltage electric fence" means an alarm system, as
36 defined in s. 489.505, consisting of a fence structure and an
37 energizer powered by a commercial storage battery not exceeding
38 12 volts which produces an electric charge upon contact with the
39 fence structure.

40 (d) "Wireless alarm system" means a burglar alarm system or
41 smoke detector that is not hardwired.

42 (3) A low-voltage electric fence must meet all of the
43 following requirements to be permitted as a low-voltage alarm
44 system project, and no further permit shall be required for such
45 low-voltage alarm system project other than as provided in this
46 section:

47 (a) The electric charge produced by the low-voltage
48 electric fence upon contact does not exceed energizer
49 characteristics set forth in paragraph 22.108 and depicted in
50 Figure 102 of International Electrotechnical Commission Standard
51 No. 60335-2-76, Current Edition.

52 (b) A nonelectric fence or wall must completely enclose the
53 low-voltage electric fence. The low-voltage electric fence may
54 be up to 2 feet higher than the perimeter nonelectric fence or
55 wall.

56 (c) The low-voltage electric fence must be identified using
57 warning signs attached to the fence at intervals of not more
58 than 60 feet.

59 (d) The low-voltage electric fence may not be installed in
60 an area zoned primarily or exclusively for single-family or
61 multi-family residential use.

580-01751-17

2017190c1

62 (7)~~(6)~~ A contractor is not required to notify the local
63 enforcement agency before commencing work on a low-voltage alarm
64 system project. However, a contractor must submit a Uniform
65 Notice of a Low-Voltage Alarm System Project as provided under
66 subsection (8) ~~(7)~~ to the local enforcement agency within 14
67 days after completing the project. A local enforcement agency
68 may take disciplinary action against a contractor who fails to
69 timely submit a Uniform Notice of a Low-Voltage Alarm System
70 Project.

71 Section 2. This act shall take effect July 1, 2017.

District Office
13501 SW 128th Street
Ste 115 A
Miami, FL 33186
305- 252- 4300



Tallahassee Office
308 Senate Office Building
402 South Monroe Street
Tallahassee, FL 32399
850-487-5040

**Florida Senate
Office of Senator Frank Artiles- District 40**

Thursday, February 9, 2017

The Honorable Tom Lee
Chair, Committee on Community Affairs
315 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

Re: SB 190- Low-voltage Electric Fences

Dear Senator Lee,

I hope this correspondence finds you well.

Please have this letter serve as my formal request to have **SB 190: Low-voltage Electric Fences**, be heard during the next Regulated Industries Committee Meeting.

The purpose of this legislation is to provide new requirements to what constitutes as a low-voltage electric fence as well as categorizing new and existing low-voltage electric fences as "low-voltage alarm system project." This legislation will provide uniformity throughout the State for 67 counties and over 400 cities.

Should you have any questions or concerns, please feel free to reach out to my office at any time.

Respectfully,

A handwritten signature in blue ink that reads "Frank Artiles".

Senator Frank Artiles, District 40

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 948

INTRODUCER: Senator Stewart

SUBJECT: Assessment of Properties Affected by Imported or Domestic Drywall

DATE: March 13, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Favorable
2.			AFT	
3.			AP	

I. Summary:

SB 948 extends the expiration date from July 1, 2017, to July 1, 2025, for a provision that requires property appraisers to take into account and accordingly adjust the assessed value of a single-family residential property that is affected by the presence of corrosive imported or domestic drywall.

II. Present Situation:

Imported Drywall

The United States imported drywall from China from 2006 to 2008 to address the shortage of construction materials created by the 2004 and 2005 hurricane seasons and the national demand for new home construction.¹ Beginning in 2008, people living in homes built between 2001 and 2008 began reporting health issues. Homeowners also reported corrosion of certain metal components in their homes. The U.S. Consumer Product Safety Commission (CPSC), the lead federal agency for problem drywall, began investigating the problem in 2009 with the Agency for Toxic Substances and Disease Registry (ATSDR) and other agencies.

According to the CPSC and ATSDR, people who were exposed to sulfur compounds emitted by some drywall manufactured in China may have experienced health effects including headaches; irritation of eyes, nose, and throat; feeling tired; and problems controlling respiratory conditions like asthma.² The estimated concentrations of sulfur compounds in indoor air emitted from drywall samples manufactured in China in 2005 and 2006 were a public health concern at the time of testing (2009 and 2010). Sulfur compound emission rates increased with both temperature and humidity. However, sulfur compound emissions from drywall samples

¹ U.S. Health and Human Services, ATSDR, *Public Health Implications of Chinese-manufactured Drywall*, available at: https://www.atsdr.cdc.gov/drywall/docs/Final%20drywall_factsheet_05-2-14.pdf (last visited March 9, 2017).

² *Id.*

decreased between the 2009 and 2010 testing. This suggests that emissions likely were higher when the drywall was originally manufactured in 2005 and 2006. The available data cannot be used to determine if people are being exposed to sulfur compounds at levels that could cause health effects today.³

If residents have a corrosive drywall, the CPSC and U.S. Department of Housing and Urban Development (HUD) have a recommended remediation process.⁴ The CPSC and HUD recommend replacing all problem drywall, smoke and carbon monoxide alarms, and most electrical distribution components and sprinkler heads.⁵

The CPSC has received 4,051 reports from residents in 44 states, the District of Columbia, American Samoa, and Puerto Rico, who believe their health symptoms or the corrosion of certain metal components in their homes are related to the presence of defective drywall.⁶

The majority of the complaints (56 percent) have been from homeowners in Florida. As of March 13, 2014, the CPSC has received 2,265 incident reports associated with Chinese drywall in Florida.⁷

Prior to the passage of ch. 2010-170, Laws of Fla., property appraisers in affected counties recognized that the presence of defective drywall reduced the value of these homes and lowered their assessments, as required under s. 193.011, F.S., which specifically cites the present cost value of property and its condition as factors to be considered in determining just value.⁸

In 2010, when the Legislature originally created s. 193.1552, F.S., the Florida Department of Health reported that they had received 678 complaints related to imported drywall in 30 counties. In recent years, the number of properties affected by toxic drywall appears to have reduced. According to the Department of Revenue, there were 211 properties in 12 counties affected by toxic drywall in 2016.⁹ The most heavily affected counties were Palm Beach with 57 such properties, Miami-Dade with 45 such properties, and Sarasota with 37 such properties.¹⁰

³ *Id.*

⁴ CPSC and HUD, *Remediation Guidance for Homes with Corrosion from Problem Drywall as of March 28, 2011*, available at <https://www.cpsc.gov/Global/Safety%20Education/Safety-Information-Centers/Drywall/Remediation031811.pdf> (last visited March 9, 2017).

⁵ U.S. Health and Human Services, ATSDR, *Public Health Implications of Chinese-manufactured Drywall*.

⁶ United States Consumer Product Safety Commission, *What Should I Do If My Home Has Problem Drywall?* available at <https://www.cpsc.gov/safety-education/safety-education-centers/drywall-information-center/where-has-problem-drywall-been-reported> (last visited March 9, 2017).

⁷ United States Consumer Public Safety Commission, *Where Has Problem Drywall Been Reported?* available at https://www.cpsc.gov/s3fs-public/pdfs/blk_media_CPSC%20Drywall%20State%20breakdowns%203%2013%2014.pdf (last visited March 9, 2017).

⁸ Florida Senate, 2010 Legislative Analysis for CS/SB 2160, (published April 15, 2010).

⁹ The 12 affected counties were Miami-Dade, Flagler, Indian River, Manatee, Martin, Okeechobee, Palm Beach, Pinellas, Polk, St. Lucie, Santa Rosa, and Sarasota.

¹⁰ *Id.*

Section 193.1552, Florida Statutes

In response to the issues experienced by Floridians due to imported drywall, the Legislature passed HB 965 in 2010.¹¹ The bill created s. 193.1552, F.S., to require property appraisers to adjust the assessed value of affected single-family residential property by taking into consideration the presence of imported or domestic drywall and the impact it has on the assessed value.¹² If the building cannot be used for its intended purpose without remediation or repair, the value of the building shall be \$0.

The term “imported or domestic drywall” is defined to mean drywall that contains elevated levels of elemental sulfur that results in corrosion of certain metals.¹³

To qualify, a home must have imported or domestic drywall that has a significant negative impact on the just value of the property and the purchaser must not have been aware of the presence of the tainted drywall at the time of purchase.

Section 193.1552(5), F.S. provides that homestead property to which the provisions of the section apply must be considered damaged by misfortune or calamity under the provisions of s. 193.155(4)(b), F.S., thereby resulting in the remediation and repairs not increasing the assessed value of the property, so long as the square footage limitations are followed. Moreover, the homestead property will not be considered abandoned if an owner vacates the property during repairs and does not establish a new homestead.

Once the remediation and repairs have been complete, affected properties will be assessed as if the imported or domestic drywall had not been present.

The provisions of s. 193.1552, F.S., will be repealed on July 1, 2017, unless reviewed and reenacted by the Legislature before that date.

III. Effect of Proposed Changes:

The bill extends the expiration date of s. 193.1552, F.S., from July 1, 2017, to July 1, 2025. As a result, property appraisers will continue to be required to take into account and accordingly adjust the assessed value of a single-family residential property that is affected by the presence of corrosive imported or domestic drywall.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, Subsection (b) of section 18 of the State Constitution, provides that except upon the approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or

¹¹ Chapter 2010-170, Laws of Fla.

¹² *Id.*

¹³ Section 193.1552(1), F.S.

counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandate requirements do not apply to laws having an insignificant impact, which for Fiscal Year 2016-2017 was \$2 million or less.^{14,15,16} The Revenue Estimating Conference has not examined the fiscal impact of this bill, but it is unlikely the bill will exceed the \$2 million threshold.¹⁷

The county/municipality mandates provision of Art. VII, S. 18 of the Florida Constitution may apply because this bill reduces local government authority to raise revenue by reducing ad valorem tax bases compared to the tax bases that would exist under current law. This bill does not appear to qualify under any exemption or exception. If the bill does qualify as a mandate, final passage must be approved by two-thirds of the membership of each house of the Legislature.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Property owners may receive tax relief if their property was built using defective building materials or construction techniques.

C. Government Sector Impact:

The bill may reduce the tax base upon which counties and municipalities raise ad valorem revenue.

VI. Technical Deficiencies:

None.

¹⁴ FLA. CONST. art. VII, s. 18(d).

¹⁵ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited March 9, 2017).

¹⁶ Based on the Demographic Estimating Conference's population adopted on November 1, 2016. The conference packet is available at <http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf> (last visited March 9, 2017).

¹⁷ If the DOR's estimation of 211 affected properties is accurate, each property's taxes would need to be reduced by an average of \$9,479 to exceed the \$2 million threshold.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 193.1552 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Stewart

13-01257-17

2017948__

1 A bill to be entitled
2 An act relating to the assessment of properties
3 affected by imported or domestic drywall; amending s.
4 193.1552, F.S.; extending the expiration date of
5 provisions specifying requirements for property
6 appraisers to adjust assessed values of certain
7 properties that are affected by certain imported or
8 domestic drywall; making a technical change; providing
9 an effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Section 193.1552, Florida Statutes, is amended
14 to read:

15 193.1552 Assessment of properties affected by imported or
16 domestic drywall.—

17 (1) As used in this section, the term "imported or domestic
18 drywall" means drywall that contains elevated levels of
19 elemental sulfur that results in corrosion of certain metals.

20 (2) When a property appraiser determines that a single-
21 family residential property is affected by imported or domestic
22 drywall and needs remediation to bring that property up to
23 current building standards, the property appraiser shall adjust
24 the assessed value of that property by taking into consideration
25 the presence of the imported or domestic drywall and the impact
26 of such drywall on the assessed value. If the building cannot be
27 used for its intended purpose without remediation or repair, the
28 value of such building shall be assessed at the nominal just
29 value of \$0.

13-01257-17

2017948__

30 (3) This section applies only to properties in which:

31 (a) Imported or domestic drywall was used in the
32 construction of the property or an improvement to the property.

33 (b) The imported or domestic drywall has a significant
34 negative impact on the just value of the property or
35 improvement.

36 (c) The purchaser was unaware of the imported or domestic
37 drywall at the time of purchase.

38 (4) This section does not apply to property owners who were
39 aware of the presence of imported or domestic drywall at the
40 time of purchase.

41 (5) Homestead property to which this section applies shall
42 be considered damaged by misfortune or calamity under s.
43 193.155(4)(b), except that the 3-year deadline does not apply.

44 (6) Homestead property shall not be considered abandoned
45 when a homeowner vacates such property for the purpose of
46 remediation and repair under this section, provided the
47 homeowner does not establish a new homestead.

48 (7) Upon the substantial completion of remediation and
49 repairs, the property shall be assessed as if such imported or
50 domestic drywall had not been present.

51 (8) This section expires ~~is repealed~~ July 1, 2025 ~~2017~~,
52 unless reviewed and reenacted by the Legislature on or before
53 that date.

54 Section 2. This act shall take effect upon becoming a law.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on the Environment
and Natural Resources
Education
Environmental Preservation and Conservation
Governmental Oversight and Accountability

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

SENATOR LINDA STEWART

13th District

March 2, 2017

Chair Lee:

I am writing today to request SB 948, an act relating to property taxes exemptions for tainted drywall, be heard in the Community Affairs Committee. This bill extends an existing property tax exemption scheduled to sunset this year to the detriment of homeowners and tax-paying businesses across Florida.

I look forward to working with you and members of your committee on this important issue.

Thank you for your kind consideration. I am,

Sincerely Yours,

A handwritten signature in cursive script that reads "Linda Stewart".

Senator Linda Stewart

Cc: Tom Yeatman, Staff Director, Community Affairs Committee

REPLY TO:

- 1726 S. Bumby Avenue, Orlando, Florida 32806 (407) 893-2422 FAX: (888) 263-3680
- 224 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5013

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore



The Florida Senate

Committee Agenda Request

To: Senator Tom Lee, Chair
Committee on Community Affairs

Subject: Committee Agenda Request

Date: March 2, 2017

I respectfully request that **Senate Bill # 948**, relating to Property Tax Exemptions for Tainted Drywall, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in cursive script that reads "Linda Stewart".

Senator Linda Stewart
Florida Senate, District 13

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/SB 854

INTRODUCER: Community Affairs Committee; and Senators Brandes and Perry

SUBJECT: Task Force on Affordable Housing

DATE: March 14, 2017 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Fav/CS
2.	_____	_____	AP	_____
3.	_____	_____	RC	_____

Please see Section IX. for Additional Information:
COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 854 creates a 13-member task force on affordable housing which is assigned to the Florida Housing Finance Corporation (FHFC) for administrative purposes. The task force must develop recommendations for Florida’s affordable housing needs.

The recommendations of the task force must include, but are not limited to, a review of market rate developments; affordable housing developments; land use for affordable housing developments; building codes for affordable housing developments; the states’ implementation of the low-income housing tax credit; private and public sector development and construction industries; and the rental market for assisted rental housing. The task force must also include recommendations for the development of strategies and pathways for low-income housing.

The task force must submit a report with its recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2018. The task force will be dissolved on June 30, 2018, or an earlier date determined by the task force.

II. Present Situation:

Florida Housing Finance Corporation

The 1997 Legislature created the FHFC as a public private entity to replace the Florida Housing Finance Agency, with the purpose of reducing bureaucracy and streamlining administrative processes.¹ FHFC is now a public corporation that is housed within the Department of Economic

¹ Chapter 97-167, Laws of Fla.

Opportunity.² The goal of the FHFC is to increase the supply of safe, affordable housing for individuals and families with very low to moderate incomes. To do this, the FHFC uses federal and state resources to finance the development of affordable homes and rental housing and assist first-time homebuyers through various programs.³ According to FHFC, the corporation seeks to be recognized as an outstanding provider of innovative, measurable, data-driven, and fiscally sustainable solutions that respond to the affordable housing challenges in Florida. The FHFC tries to increase affordable housing opportunities and ensure that its programs are well matched to the needs of it serves. The FHFC works with local governments, nonprofits, elected officials, and others to help spread the importance of affordable housing in Florida's communities.

Multifamily Development

The FHFC has several multifamily development programs (or rental housing programs) including the State Apartment Incentive Loan Program (SAIL), Multifamily Mortgage Revenue Bonds (MMRB), the Florida Affordable Housing Guarantee Program (Guarantee Program), HOME Investment Partnerships, Elderly Housing Community Loan program (EHCL), and the Low Income Housing Tax Credit program.

Special Programs

The FHFC's special programs include the State Housing Initiatives Partnership (SHIP), Predevelopment Loan Program (PLP), Demonstration Loans, Foreclosure Counseling Program (FCP), and the Affordable Housing Catalyst Program (Catalyst).

Homeownership Programs

The FHFC's homeownership programs include Homebuyer Loan programs, Down Payment Assistance programs (DPA), Mortgage Credit Certificates (MCC), and the Homeownership Pool Program (HOP).

Low-Income Housing Tax Credit

The Low-Income Housing Tax Credit is a federal dollar-for-dollar tax credit in the United States for affordable housing investments.⁴ It was created under the Tax Reform Act of 1986 and gives incentives for utilization of private equity in the development of affordable housing aimed at low-income Americans.⁵ The Low-Income Housing Tax Credit gives state and local allocating agencies the equivalent of nearly \$8 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.⁶

² Section 420.504(1), F.S.

³ Further information on the FHFC's Multifamily Development, Special Programs, and Homeownership programs is available at <http://www.floridahousing.org/AboutUs/> (last visited March 9, 2017).

⁴ Office of Policy Development and Research, U.S. Department of Housing and Urban Development, *Low-Income Housing Tax Credits*, available at <https://www.huduser.gov/portal/datasets/lihtc.html> (last visited March 9, 2017).

⁵ Public Law No: 99-514.

⁶ Office of Policy Development and Research, U.S. Department of Housing and Urban Development, *Low-Income Housing Tax Credits*.

III. Effect of Proposed Changes:

The bill creates a task force on affordable housing. The task force is assigned to the Florida Housing Finance Corporation for administrative purposes.

The task force must convene by September 1, 2017, and shall be composed of the following 13 members:

- The executive director of the Florida Housing Finance Corporation;
- The executive director of the Department of Economic Opportunity or his or her designee;
- Five members appointed by the Governor including one member who is an advocate for the homeless, one member who is an advocate of the needs of individuals with disabling conditions and persons with special needs, one member who represents the building or development community, and one member who is a realtor licensed in Florida;
- Two members appointed by the President of the Senate;
- Two members appointed by the Speaker of the House of Representatives;
- The executive director of the Florida Association of Counties or his or her designee; and
- The executive directors of the Florida League of Cities or his or her designee.

The executive director of the Florida Housing Finance Corporation shall serve as the chair of the task force.

The FHFC must provide administrative and staff support services to the task force, which relate to its functions.

Members of the task force serve without compensation but are entitled to reimbursement for per diem and travel expenses in accordance with s. 112.061, F.S. The state agency or entity that is represented by the member of the task force shall pay per diem and travel expenses incurred by the member.

The task force must develop recommendations for addressing Florida's affordable housing needs. The task force must present its recommendations to the board of directors of the FHFC for approval. The task force must make the following recommendations at a minimum:

- A review of market rate developments;
- A review of affordable housing developments;
- A review of land use for affordable housing developments;
- A review of building codes for affordable housing developments;
- A review of the states' implementation of the low-income housing tax credit;
- A review of private and public sector development and construction industries; and
- A review of the rental market for assisted rental housing.

The recommendations must also include the development of strategies and pathways for low-income housing.

The task force must submit its report containing those recommendations approved by the FHFC to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2018.

The task force is abolished June 30, 2018, or at an earlier date as provided by the task force.

The bill takes effect July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The Florida League of Cities and the Florida Association of Counties may have to cover their own per diem and travel expenses if the Legislature does not appropriate funds for that purpose.

C. Government Sector Impact:

The state agencies and entities with members appointed to the task force will pay per diem and travel expenses using existing budgetary resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill does not amend the Florida Statutes. Time-limited provisions such as those found in this act are published only in the Laws of Florida.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs Committee on March 14, 2017:

Revises the composition of the task force to add three additional members so that a total of five members of the 13-member board will now be appointed by the Governor. Of the five members selected by the Governor, one member must be an advocate for the homeless, one member must be an advocate of the needs of individuals with disabling conditions and persons with special needs, one member must represent the building or development community, and one member must be a realtor licensed in Florida.

- B. **Amendments:**

None.



586176

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/14/2017	.	
	.	
	.	
	.	

The Committee on Community Affairs (Brandes) recommended the following:

Senate Amendment

Delete lines 26 - 31
and insert:

2017, and shall be composed of the following 13 members:

(a) The executive director of the Florida Housing Finance Corporation, who shall serve as chair of the task force.

(b) The executive director of the Department of Economic Opportunity or his or her designee.



586176

11 (c) Five members appointed by the Governor. Of the five
12 members, one must be an advocate for the homeless, one must be
13 an advocate of the needs of individuals with disabling
14 conditions and persons with special needs as defined in s.
15 420.0004, one must represent the building or development
16 community, and one must be a realtor licensed in this state.

By Senator Brandes

24-00811-17

2017854__

1 A bill to be entitled
2 An act relating to a task force on affordable housing;
3 creating a task force on affordable housing; directing
4 the task force to be assigned to the Florida Housing
5 Finance Corporation for administrative purposes;
6 directing the task force to convene no later than a
7 specified date; providing membership requirements;
8 directing the corporation to provide administrative
9 and staff support services to the task force;
10 requiring members of the task force to serve without
11 compensation; providing members certain entitlements
12 to reimbursement, subject to certain requirements;
13 directing the task force to develop recommendations
14 for the state's affordable housing needs, subject to
15 certain requirements; directing the task force to
16 submit a report to the Governor and the Legislature by
17 a specified date; terminating the task force by a
18 specified date; providing an effective date.

19
20 Be It Enacted by the Legislature of the State of Florida:

21
22 Section 1. (1) There is created a task force on affordable
23 housing. The task force is assigned to the Florida Housing
24 Finance Corporation for administrative purposes only.

25 (2) The task force shall convene no later than September 1,
26 2017, and shall be composed of the following 10 members:

27 (a) The executive director of the Florida Housing Finance
28 Corporation, who shall serve as chair of the task force.

29 (b) The executive director of the Department of Economic
30 Opportunity or his or her designee.

31 (c) Two members appointed by the Governor.

32 (d) Two members appointed by the President of the Senate.

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2017854__

33 (e) Two members appointed by the Speaker of the House of
34 Representatives.

35 (f) The executive director of the Florida Association of
36 Counties or his or her designee.

37 (g) The executive director of the Florida League of Cities
38 or his or her designee.

39 (3) (a) The Florida Housing Finance Corporation shall
40 provide administrative and staff support services to the task
41 force which relate to its functions.

42 (b) Members of the task force shall serve without
43 compensation but are entitled to reimbursement for per diem and
44 travel expenses in accordance with s. 112.061, Florida Statutes.
45 Per diem and travel expenses incurred by a member of the task
46 force shall be paid from funds budgeted to the state agency or
47 entity that the member represents.

48 (4) (a) The task force shall develop recommendations for
49 addressing the state's affordable housing needs. The
50 recommendations shall be presented to and approved by the board
51 of directors of the Florida Housing Finance Corporation. The
52 recommendations shall include, but are not limited to:

53 1. A review of market rate developments.

54 2. A review of affordable housing developments.

55 3. A review of land use for affordable housing
56 developments.

57 4. A review of building codes for affordable housing
58 developments.

59 5. A review of the states' implementation of the low-income
60 housing tax credit.

61 6. A review of private and public sector development and

24-00811-17

2017854__

62 construction industries.

63 7. A review of the rental market for assisted rental
64 housing.

65 8. The development of strategies and pathways for low-
66 income housing.

67 (b) The task force shall submit a report containing the
68 approved recommendations to the Governor, the President of the
69 Senate, and the Speaker of the House of Representatives by
70 January 1, 2018.

71 (5) The task force is abolished June 30, 2018, or at an
72 earlier date as provided by the task force.

73 Section 2. This act shall take effect July 1, 2017.



The Florida Senate

Committee Agenda Request

To: Senator Tom Lee, Committee on
Community Affairs

Subject: Committee Agenda Request

Date: February 24th, 2017

I respectfully request that **Senate Bill #854**, relating to **Task Force on Affordable Housing**, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Jeff Brandes", written over a horizontal line.

Senator Jeff Brandes
Florida Senate, District 24

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/15/17

Meeting Date

SB 854

Bill Number (if applicable)

586176

Amendment Barcode (if applicable)

Topic Affordable Housing Task Force

Name Karen Koch (Cook)

Job Title Executive Director

Address P.O. Box 11242
Street

Phone 850-545-0818

Tallahassee FL 32301
City State Zip

Email Karen@fshc.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Supportive Housing Coalition

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/14/17

Meeting Date

854

Bill Number (if applicable)

Topic Task Force on Affordable Housing

Amendment Barcode (if applicable)

Name Ms. Zayre Smith

Job Title Associate State Director

Address 200 W. College Ave. Street

Phone 850 228-4243

Tally City

FL State

32301 Zip

Email zsmith@acarp.org

Speaking: [] For [] Against [] Information

Waive Speaking: [x] In Support [] Against (The Chair will read this information into the record.)

Representing AARP

Appearing at request of Chair: [] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/14/17

Meeting Date

854

Bill Number (if applicable)

Topic TASK FORCE ON AFFORDABLE HOUSING

Amendment Barcode (if applicable)

Name DAPHNEE SAINVIL

Job Title LEGISLATIVE COORDINATOR

Address 115 S. ANDREWS AVE
Street

Phone 954-253-7320

FT. LAUDERDALE FL 33301
City State Zip

Email dsainvil@broward.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing BROWARD COUNTY

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/14/17

Meeting Date

854

Bill Number (if applicable)

Topic Task Force on Affordable Housing

Amendment Barcode (if applicable)

Name Andy Gonzalez

Job Title Public Policy Representative

Address 200 S. Monroe Street

Phone 850-224-1400

Tallahassee FL 32301

City

State

Zip

Email andyg@floridarealtors.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Realtors

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

854

Meeting Date

Bill Number (if applicable)

Topic SB 854

Amendment Barcode (if applicable)

Name Bryan Cherry

Job Title Associate

Address 205 S. Adams

Phone (850) 205-0885

Street

Tallahassee

FL.

State

32301

Zip

Email bryan@adamssstadvocates.com

City

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL. Coalition For The Homeless

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/14/17

Meeting Date

Bill Number (if applicable)

Topic SB 854

Amendment Barcode (if applicable)

Name Ken Reedy

Job Title Interim Director

Address 227 N Bronough St

Phone 850 488 4197

Street

Tallahassee FL 3

City

State

Zip

Email

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Housing Finance Corporation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/SB 860

INTRODUCER: Community Affairs Committee; and Senators Brandes and Lee

SUBJECT: Building Code Administrators and Inspectors

DATE: March 14, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Present	Yeatman	CA	Fav/CS
2.			RI	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 860 makes numerous changes to ch. 468, F.S., to address the shortage of building code inspectors and plans examiners.

Specifically, the bill creates an internship path for certification as a building code inspector or plans examiner.

The bill also requires the Florida Building Code Administrators and Inspectors Board (FBCAIB) to provide for the issuance of a provisional certificate to any building code inspector or plans examiner who meets certain eligibility requirements. Furthermore, a person may perform the duties of a plan examiners or building code inspector for 120 days if he or she submits a provisional certificate application and is under the direct supervision of a certified building code administrator. Under current law, the provisional certificate and the authorization to perform plan examiner and building code inspector duties are available for newly employed or promoted building code inspectors and plans examiners only.

The bill also changes the process by which revisions are made to the Florida Building Code.

Current law requires the Florida Building Commission (Commission) to revise the Florida Building Code every 3 years to automatically adopt the most recent versions of the International Code Council I-Codes (I-Codes) and the International Energy Conservation Code (IECC) into the foundation of the Florida Building Code. Additionally, under current law, amendments and modifications to the Florida Building Code only remain in effect until the effective date of a new edition of the Florida Building Code.

Under the new process, the Commission will start with the current Florida Building Code and evaluate the changes made in the I-Codes and the IECC and adopt the changes the Commission deems appropriate. However, the Commission must maintain the efficiencies of the Florida Energy Efficiency Code for Building Construction. If amendments or modifications are made to the Florida Building Code, those amendments and modifications will be carried forward until the next edition of the Florida Building Code. The Florida Building Code updating process will remain on a 3-year cycle.

The bill also requires the Commission to adopt the Florida Building Code by a three-fourths vote of the members present.

II. Present Situation:

The Florida Building Code and the Florida Building Commission

In 1974, Florida adopted a state minimum building code law requiring all local governments to adopt and enforce a building code that would ensure minimum standards for the public's health and safety. Four separate model codes were available that local governments could consider and adopt. In that system, the state's role was limited to adopting all or relevant parts of new editions of the four model codes. Local governments could amend and enforce their local codes as they desired.¹

In 1996, a study commission was appointed to review the system of local codes created by the 1974 law and to make recommendations for modernizing the entire system. The 1998 Legislature adopted the study commission's recommendations for a single state building code and an enhanced oversight role for the state in local code enforcement. The 2000 Legislature authorized implementation of the Florida Building Code, and that first edition replaced all local codes on March 1, 2002. In 2004, for the second edition of the Florida Building Code, the state adopted the International Code Council's I-Codes.² All subsequent Florida Building Codes have been adopted utilizing the I-Codes as the base code. The most recent Florida Building Code is the fifth edition which is referred to as the 2014 Florida Building Code. The 2014 Florida Building Code went into effect June 30, 2015.³

The Commission was statutorily created to implement the Florida Building Code. The Commission, which is housed within the Department of Business and Professional Regulation (DBPR), is a 27-member technical body responsible for the development, maintenance, and interpretation of the Florida Building Code. The Commission also approves products for statewide acceptance. Members are appointed by the Governor and confirmed by the Senate and

¹ The Florida Building Commission Report to the 2006 Legislature, *Florida Department of Community Affairs*, p. 4, available at http://www.floridabuilding.org/fbc/publications/2006_Legislature_Rpt_rev2.pdf (last visited March 14, 2017).

² The International Code Council (ICC) is an association that develops model codes and standards used in the design, building, and compliance process to "construct safe, sustainable, affordable and resilient structures." The ICC publishes I-Codes: a complete set of model comprehensive, coordinated building safety and fire prevention codes, for all aspects of construction, that have been developed by ICC members. All 50 states have adopted the I-Codes.

³ Florida Building Commission Homepage, <https://floridabuilding.org/c/default.aspx> (last visited March 14, 2017).

include design professionals, contractors, and government experts in the various disciplines covered by the Florida Building Code.⁴

Most substantive issues before the Commission are vetted through a workgroup process where consensus recommendations are developed and submitted by appointed representative stakeholder groups in an open process with several opportunities for public input.

According to the Commission,

General consensus is a participatory process whereby, on matters of substance, the members strive for agreements which all of the members can accept, support, live with or agree not to oppose. In instances where, after vigorously exploring possible ways to enhance the members' support for the final decision on substantive decisions, and the Commission finds that 100 percent acceptance or support is not achievable, final decisions require at least 75 percent favorable vote of all members present and voting.⁵

Building Code Cycle

Pursuant to s. 553.73(7)(a), F.S., the Commission must update the Florida Building Code every 3 years. When updating the Florida Building Code, the Commission is required to use the most current version of the International Building Code, the International Fuel Gas Code, the International Mechanical Code, the International Plumbing Code, the International Residential Code, and the International Electrical Code. These I-Codes form the foundation codes of the updated Florida Building Code.

Any amendments or modifications to the foundation codes found within the Florida Building Code remain in effect only until the effective date of a new edition of the Florida Building Code, every 3 years.⁶ At that point, the amendments or modifications to the foundation codes are removed, unless the amendments or modifications are related to state agency regulations or are related to the wind-resistance design of buildings and structures within the high-velocity hurricane zone of Miami-Dade and Broward Counties, which are carried forward into the next edition of the Florida Building Code.

When a provision of the current Florida Building Code is not part of the foundation codes, an industry member or another interested party must resubmit the provision to the Commission during the Florida Building Code adoption process in order to be considered for the next edition of the Florida Building Code.⁷

⁴ Section 553.74, F.S.

⁵ Florida Building Commission, Florida Building Commission Consensus-Building Process, *available at* http://www.floridabuilding.org/fbc/commission/FBC_0608/Commission/FBC_Discussion_and_Public_Input_Processes.htm (last visited March 14, 2017).

⁶ Section 553.73(7)(g), F.S.

⁷ Section 553.73(7)(g), F.S.

Amendments between Cycles

Section 553.73(8), F.S., authorizes the Commission to approve amendments pursuant to the rule adoptions procedure in ch. 120, F.S., which are needed to address:

- Conflicts within the updated Florida Building Code;
- Conflicts between the updated Florida Building Code and the Florida Fire Prevention Code adopted pursuant to ch. 633, F.S.;
- Unintended results from the integration of the previously adopted Florida-specific amendments;
- Equivalency of standards;
- Changes to or inconsistencies with federal or state law; or
- Adoption of an updated edition of the National Electrical Code if the Commission finds that delay of implementing the updated edition causes undue hardship to stakeholders or otherwise threatens the public health, safety, and welfare.

However, the Commission may not approve amendments that would weaken the construction requirements relating to wind resistance or the prevention of water intrusion.

The Commission may also approve technical amendments to the Florida Building Code once a year for statewide or regional application if the amendment:⁸

- Is needed in order to accommodate the specific needs of Florida.
- Has a reasonable and substantial connection with the health, safety, and welfare of the general public.
- Strengthens or improves the Florida Building Code, or in the case of innovation or new technology, will provide equivalent or better products or methods or systems of construction.
- Does not discriminate against materials, products, methods, or systems of construction of demonstrated capabilities.
- Does not degrade the effectiveness of the Florida Building Code.

The 6th Edition of the Florida Building Code

The Commission is currently conducting its rule development process for the 6th edition of the Florida Building Code. Under s. 553.73(7)(e), F.S., a rule updating the Florida Building Code does not take effect until 6 months after the publication of the updated Florida Building Code. The 6th edition of the Florida Building Code is tentatively expected to go into effect on December 31, 2017.⁹

The 6th edition of the Florida Building Code will incorporate the latest version of the I-Codes (2015). The next edition of the I-Codes will be the 2018 I-Codes.

⁸ Section 553.73(9), F.S.

⁹ 6th Edition (2017) FBC Code Update Development Tasks, *available at* http://www.floridabuilding.org/fbc/thecode/2017_Code_Development/Timelines/FBC_WorkplanOption1-2015.pdf (Last visited March 14, 2017).

Voting Processes for the Technical Advisory Committees and the Commission

Under s. 553.73(3)(b), F.S., in order for a technical advisory committee to make a favorable recommendation to the Commission, the proposal must receive a three-fourths vote of the members present at the meeting, and at least half of the regular members must be present in order to conduct the meeting.

The Florida Administrative Code, under 61G20-2.002(7), F.A.C., provides a similar requirement for votes taken by the Commission. Specifically, the provision provides that “The decision of the Commission to approve a proposed amendment shall be by 75% vote. Those proposals failing to meet the vote requirement shall not be adopted.”

Building Code Administrators, Plans Examiners, and Inspectors Certifications

Building Code Inspector and Plans Examiner

In order to take the examination for building code inspector or plans examiner certification, s. 468.609(2), F.S., provides that a person must be at least 18 years of age, be of good moral character, and meet one of the following eligibility requirements:

- **Option 1:** Demonstrate 5 years of combined experience in the field of construction or a related field, building code inspection, or plans review corresponding to the certification category sought.
- **Option 2:** Demonstrate 4 years of a combination of postsecondary education in the field of construction or a related field and experience, with at least 1 year of experience in construction, building code inspection, or plans review.
- **Option 3:** Demonstrate 4 years of a combination of technical education in the field of construction or a related field and experience, with at least 1 year of experience in construction, building code inspection, or plans review.
- **Option 4:** Currently hold a standard certificate as issued by the FBCAIB, or a fire safety inspector license issued pursuant to ch. 633, F.S.; have a minimum of 3 years of verifiable full-time experience in inspection or plan review; and satisfactorily complete an approved building code inspector or plans examiner training program of at least 100 hours but not more than 200 hours in the certification category sought.
- **Option 5:** Demonstrate a minimum of 2 years combined experience in the field of building code inspection, plan review, fire code inspections and fire plans review of new buildings as a firesafety inspector, or construction; and the completion of an approved training program in the field of building code inspection or plan review of at least 200 hours but not more than 300 hours in the certification category sought, with at least 20 hours but not more than 30 hours of instruction in state laws, rules, and ethics relating to professional standards of practice, duties, and responsibilities of a certificate holder.
- **Option 6:** Currently hold a standard certificate issued by the FBCAIB or a firesafety inspector license if the person also:
 - Has at least 5 years of verifiable full-time experience as a building code inspector, plans examiner, or licensed firesafety inspector; and
 - Satisfactorily completes a building code inspector or plans examiner classroom training course or program that provides between 200 and 300 hours in the certification category

sought, except for one-family and two-family dwelling training programs which are required to provide between 500 and 800 hours of training as prescribed by the FBCAIB.

The FBCAIB must accept all classroom training offered by an approved provider if the content substantially meets the intent of the classroom component of the training program.¹⁰

Under s. 468.609(7), F.S., the FBCAIB is required to provide for the issuance of provisional 1-year certificates for certain newly employed or promoted building code inspectors or plans examiners; and to provide appropriate levels of such provisional certificates.

Additionally, a newly employed or hired person may perform the duties of the plans examiner or building code inspector for 120 days if a provisional certificate application has been submitted and the newly employed or hired person is under the direct supervision of a certified building code administrator who holds a standard certification and who has found the person qualified for a provisional certificate.¹¹

Building Code Administrator

In order to take the examination for building code administrator certification, s. 468.609(3), F.S., provides that a person must be at least 18 years of age, be of good moral character, and meet one of the following eligibility requirements:

- **Option 1:** Demonstrate 10 years of combined experience as an architect, engineer, plans examiner, building code inspector, registered or certified contractor, or construction superintendent, with at least 5 years of experience in supervisory positions; or
- **Option 2:** Demonstrate 10 years of a combination of experience as an architect, engineer, plans examiner, building code inspector, registered or certified contractor, or construction superintendent, with at least 5 years of supervisory experience, and postsecondary education in the field of construction or related field, of which no more than 5 years may be applied. The individual must have also completed between 20 and 30 hours training in state laws, rules, and ethics relating to professional standards of practice, duties, and responsibilities of a certificate holder.

Private Providers

Section 553.791(1)(i), F.S., defines “private provider” as a licensed engineer or a licensed architect who performs inspections on residential buildings in certain circumstances and, for additions and alterations under 1,000 square feet, the term also applies to individuals who hold a standard license under part XII of Chapter 468.

Private providers are authorized to contract with property owners and local building departments to conduct plans review and building code inspections.¹²

¹⁰ Section 468.609(2), F.S.

¹¹ Section 468.609(7)(d), F.S.

¹² DBPR, Legislative Bill Analysis for SB 860, pp. 2-3, (March 9, 2017)

Construction Industry Workforce Task Force

Single-family building permit activity, an indicator of new construction, reached its peak in Florida in 2005. During the recent recession, new construction declined significantly, bottoming out in 2009. New construction has increased in recent years, but there are anecdotal reports that contractors are having a hard time finding skilled labor.

Because of the skilled labor shortage, the Florida Legislature created the Construction Industry Workforce Task Force within the University of Florida M.E. Rinker, Sr., School of Construction Management in 2016.¹³ The goals of the task force were to:

- Address the critical shortage of individuals trained in building construction and inspection.
- Develop a consensus path for training the next generation of construction workers in the state.
- Determine the causes for the current shortage of a trained construction industry work force and address the impact of the shortages on the recovery of the real estate market.
- Review current methods and resources available for construction training.
- Review the state of construction training available in K-12 schools.
- Address training issues relating to building code inspectors to increase the number of qualified inspectors.

The task force consisted of 23 members, representing various construction industries and the Legislature. The task force elected a chair from among its members. The University of Florida M.E. Rinker, Sr., School of Construction Management was required to provide assistance to the task force in carrying out its responsibilities.

The task force submitted a final report to the Governor, the President of the Senate, and the Speaker of the House of Representatives in early 2017. The report stated that the construction and building profession is attracting fewer construction related workers.¹⁴ Florida requires 5 years of construction trade experience in order to obtain an inspector license.¹⁵ Given the stringent educational requirements, contractors often prefer working in the construction trades rather than becoming inspectors.

In its final report, the taskforce recommended the development of the following initiatives:

- Creating an Alternative Internship Certification Program to the current standard qualifications;
- Adding residential inspector and plan examiner categories for all trades;
- Expanding the provisional and 120-day periods beyond newly hired or promoted staff;
- Authorizing interagency service agreement inspections and plan examination for standard certified building officials of populations 50,000 or fewer;

¹³ Chapter 2016-129, s. 31, Laws of Fla.

¹⁴ Florida Workforce Taskforce Report, prepared by the University of Florida, p. 12, available at <http://www.cce.ufl.edu/wp-content/uploads/2016/12/6-Florida-Construction-Workforce-Taskforce-Address-training-issues-among-building-code-inspectors-to-increase-the-number-qualified-1.pdf> (last visited March 8, 2017).

¹⁵ Section 468.609(2)(c)1., F.S.

- Having the FBCAIB streamline the application for certification process by providing for an electronic application process and combining the examination registration with the provisional application;
- Providing high school education guidance material for construction related careers;
- Supporting higher education code curriculum in engineering, architecture, and construction management degrees; and
- Comprehensively studying the compensation for building code compliance personnel.¹⁶

III. Effect of Proposed Changes:

Section 1 reorders and amends s. 468.603, F.S. Specifically, the section revises the terms “building code administrator” or “building official” to include any person under contract with a municipal or county government with specified building construction regulation responsibilities. The definition further provides that one person employed or under contract by each municipal or county government as a certified building code administrator or building official may be authorized to perform any plan review or inspection.

The section also amends the definition for the term “building code inspector” to include any person under contract with a local government or state agency with specified building construction responsibilities.

Additionally, the section defines the term “residential plans examiner” to mean a person who is qualified to determine whether plans submitted for purposes of obtaining building and other permits comply with the applicable residential building, plumbing, mechanical, electrical, gas, energy, accessibility, and other construction codes.

According to the Department of Business and Professional Regulation, the bill will replace the existing voluntary category 1 and 2 family dwelling plans examiner license contained in Rule 61G19-6.016(6), Florida Administrative Code, with a residential plans examiner license.¹⁷ The DBPR anticipates that the majority of residential plans examiner licenses will be issued to individuals working for governments.¹⁸

Section 2 amends s. 468.609, F.S., to provide an additional internship path for persons to become eligible to take the examination for certification as a building code inspector or plans examiner. A person who completes an inspector or plans examiner internship certification program that includes all of the following requirements is now eligible to take the examination:

- Passing an International Code Council administered examination in the category sought before beginning a 4-year internship while employed full time by a Florida municipality, county, or other governmental jurisdiction under the direct supervision of a standard certified, government employed, sponsoring building official. A related vocational or college degree attained or verifiable on-the-job experience may reduce the required internship period year-for-year, but it may not be reduced to less than 1 year.
- Passing the Florida Principles and Practice exam before completing the internship period.

¹⁶ *Id.* at p. 14.

¹⁷ DBPR, Legislative Bill Analysis for SB 860, p. 5 (March 9, 2017).

¹⁸ *Id.*

- Passing a FCAIB approved 40-hour code training in the category sought before completing the internship period.
- Obtaining a favorable recommendation from the sponsoring building official after completing the internship period.

The bill also requires the FCAIB to provide for the issuance of a provisional certificate, valid for 1 year, to any building code inspector or plans examiner who meets the eligibility requirements in s. 468.609(2), F.S. Furthermore, a person may perform the duties of a plan examiners or building code inspector for 120 days if the person submits a provisional certificate application and is under the direct supervision of a certified building code administrator. In this circumstance, the supervising building code administrator must hold a standard certification and find the person qualified for a provisional certificate. Under current law, the provisional certificate is available for newly employed or promoted building code inspectors and plans examiners only.

The FCAIB must by rule:

- Establish a procedure to determine reciprocity for an International Code Council examination administered by another state. According to DBPR, the FCAIB already recognizes ICC administered examinations regardless of where they were taken and passed.¹⁹
- Authorize candidates for the inspector or plans examiner internship program under s. 468.609(2)(c)7., F.S., to:
 - Perform duties during the first 120 days after initial application submittal to the FCAIB.
 - Apply for a 1-year provisional certificate before completing the internship period if the candidate has not passed the Florida Principles and Practice exam or 40-hour code training course.
 - Apply for a standard certification at least 30 days but not more than 60 days before completing the internship period.
- Develop a form to authorize candidates for the inspector or plans examiner internship program to transfer approved partial internship periods completed in other jurisdictions.
- Develop an electronic application for standard certification of interns who successfully complete the inspector or plans examiner internship program.
- Establish minimum standards for, and a procedure to determine the eligibility of, internships for candidates to obtain certification under the inspector or plans examiner internship program.

After achieving initial standard certification, a person may seek additional certifications in other categories by completing additional noncurrent internship programs when passing an International Code Council examination, passing a FCAIB approved 40-hour code training, and completing an additional 1-year, full-time internship in the respective category sought. Any person holding a standard certification may seek additional certifications.

Section 3 amends s. 468.617, F.S., to provide that a county or municipal government, school board, community college board, state university, or state agency is not prohibited from entering into a contract with any person or entity for the provision of building code administrator or

¹⁹ *Id.*

building code official services. Under current law, such local governments were authorized to enter into a contract for building code inspection services only.

Section 4 amends s. 468.8313, F.S., to provide that the DBPR may review and approve home inspectors exams by a nationally recognized entity. However, the examinations must meet the standards defined by rule and certified by the DBPR in order to be approved.

Section 5 amends s. 553.73, F.S., to require the Commission to use the 6th edition of the Florida Building Code as the foundation for the Florida Building Code. The Commission is required to consider whether the Florida Building Code needs to be revised and to adopt code revisions by rule. When evaluating potential revisions to the Florida Building Code, the Florida Building Commission shall review, rather than automatically adopt, the I-Codes every 3 years. The Commission shall also review the International Energy Conservation Code; however, the Commission must maintain the efficiencies of the Florida Energy Efficiency Code for Building Construction pursuant to s. 553.901, F.S.

Amendments and modifications, other than local amendments under s. 553.73(4), F.S., to the Florida Building Code will now remain effective when a new edition of the Florida Building Code is published.

The bill removes references to Florida-specific amendments because the entire building code will now be Florida-specific. The bill also makes other conforming and clarifying changes in terminology.

Section 6 amends s. 553.76, F.S., to require the Commission to adopt the Florida Building Code, and amendments thereto, by a three-fourths vote of the members present.

Section 7 amends s. 553.791, F.S., to expand the definition of the term “private provider” to include a person licensed as a building code administrator under part XII of chapter 468. As a result, building code administrators are now authorized to contract with property owners and local building departments to conduct plans review and building code inspections.

Sections 8 and 9 amend ss. 471.045 and 481.222, F.S., respectively, to conform cross-references.

Section 10 provides an effective date of October 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Builders and building code officials may benefit from the increased continuity of the Florida Building Code and increased transparency of the code adoption process.

C. Government Sector Impact:

The bill would require the DBPR to make several modifications to its Versa: Regulation and Versa: Online systems in order to implement the internship programs for building code inspectors and plans examiners.²⁰ The bill may also require changes to OnBase routing. However, the DBPR states that these changes can be made using existing resources.

The Commission will have to review each change to the I-Codes and the IECC individually rather than approving wholesale changes to the Florida Building Code.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 468.603, 468.609, 468.617, 468.8313, 553.73, 553.76, 553.791, 471.045, and 481.222 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs Committee on March 14, 2017:

- Revises the terms “building code administrator,” “building official” and “building code inspector” to include persons under contract with the local government or state

²⁰ *Id.*

agency, in addition to employees of the local government or state agency. Current law states that these positions had to be employees of the government or agency.

- Removes a provision which authorized certain municipal or county employees to perform plan review or inspection as a certified building official under an interagency service agreement with a jurisdiction of population 50,000 or fewer.
- Requires the FCAIB to establish minimum standards for, and a procedure to determine the eligibility of, internships for specified candidates.
- Clarifies that the DBPR may review and approve home inspector examinations by a nationally recognized entity only if those examinations meet the rule and certification standards of the DBPR.
- Changes the effective date of the bill from July 1, 2017, to October 1, 2017.
- Adds a provision that changes the process by which revisions are made to the Florida Building Code and requires the Commission to adopt the Florida Building Code by a three-fourth vote of the members present.

B. Amendments:

None.



153030

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/14/2017	.	
	.	
	.	
	.	

The Committee on Community Affairs (Brandes) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 468.603, Florida Statutes, is reordered
and amended to read:

468.603 Definitions.—As used in this part:

(2)~~(1)~~ "Building code administrator" or "building official"
means any of those employees of municipal or county governments
or any person under contract with building construction



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11 regulation responsibilities who are charged with the
12 responsibility for direct regulatory administration or
13 supervision of plan review, enforcement, or inspection of
14 building construction, erection, repair, addition, remodeling,
15 demolition, or alteration projects that require permitting
16 indicating compliance with building, plumbing, mechanical,
17 electrical, gas, fire prevention, energy, accessibility, and
18 other construction codes as required by state law or municipal
19 or county ordinance. This term is synonymous with "building
20 official" as used in ~~the administrative chapter of the Standard~~
21 ~~Building Code and~~ the South Florida Building Code. One person
22 employed or under contract by each municipal or county
23 government as a building code administrator or building official
24 and who is so certified under this part may be authorized to
25 perform any plan review or inspection for which certification is
26 required by this part.

27 (4)~~(2)~~ "Building code inspector" means any of those
28 employees of local governments or state agencies or any person
29 under contract with building construction regulation
30 responsibilities who themselves conduct inspections of building
31 construction, erection, repair, addition, or alteration projects
32 that require permitting indicating compliance with building,
33 plumbing, mechanical, electrical, gas, fire prevention, energy,
34 accessibility, and other construction codes as required by state
35 law or municipal or county ordinance.

36 (1)~~(3)~~ "Board" means the Florida Building Code
37 Administrators and Inspectors Board.

38 (7)~~(4)~~ "Department" means the Department of Business and
39 Professional Regulation.



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40 ~~(6)~~⁽⁵⁾ "Certificate" means a certificate of qualification
41 issued by the department as provided in this part.

42 ~~(5)~~⁽⁶⁾ "Categories of building code inspectors" include the
43 following:

44 (a) "Building inspector" means a person who is qualified to
45 inspect and determine that buildings and structures are
46 constructed in accordance with the provisions of the governing
47 building codes and state accessibility laws.

48 (b) "Coastal construction inspector" means a person who is
49 qualified to inspect and determine that buildings and structures
50 are constructed to resist near-hurricane and hurricane velocity
51 winds in accordance with the provisions of the governing
52 building code.

53 (c) "Commercial electrical inspector" means a person who is
54 qualified to inspect and determine the electrical safety of
55 commercial buildings and structures by inspecting for compliance
56 with the provisions of the National Electrical Code.

57 (d) "Residential electrical inspector" means a person who
58 is qualified to inspect and determine the electrical safety of
59 one and two family dwellings and accessory structures by
60 inspecting for compliance with the applicable provisions of the
61 governing electrical code.

62 (e) "Mechanical inspector" means a person who is qualified
63 to inspect and determine that the mechanical installations and
64 systems for buildings and structures are in compliance with the
65 provisions of the governing mechanical code.

66 (f) "Plumbing inspector" means a person who is qualified to
67 inspect and determine that the plumbing installations and
68 systems for buildings and structures are in compliance with the



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69 provisions of the governing plumbing code.

70 (g) "One and two family dwelling inspector" means a person
71 who is qualified to inspect and determine that one and two
72 family dwellings and accessory structures are constructed in
73 accordance with the provisions of the governing building,
74 plumbing, mechanical, accessibility, and electrical codes.

75 (h) "Electrical inspector" means a person who is qualified
76 to inspect and determine the electrical safety of commercial and
77 residential buildings and accessory structures by inspecting for
78 compliance with the provisions of the National Electrical Code.

79 (8)~~(7)~~ "Plans examiner" means a person who is qualified to
80 determine that plans submitted for purposes of obtaining
81 building and other permits comply with the applicable building,
82 plumbing, mechanical, electrical, gas, fire prevention, energy,
83 accessibility, and other applicable construction codes.

84 Categories of plans examiners include:

85 (a) Building plans examiner.

86 (b) Plumbing plans examiner.

87 (c) Mechanical plans examiner.

88 (d) Electrical plans examiner.

89 (3)~~(8)~~ "Building code enforcement official" or "enforcement
90 official" means a licensed building code administrator, building
91 code inspector, or plans examiner.

92 (9) "Residential plans examiner" means a person who is
93 qualified to determine whether plans submitted for purposes of
94 obtaining building and other permits comply with the applicable
95 residential building, plumbing, mechanical, electrical, gas,
96 energy, accessibility, and other construction codes.

97 Section 2. Paragraph (c) of subsection (2), paragraphs (a)



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98 and (d) of subsection (7), and subsection (10) of section
99 468.609, Florida Statutes, are amended, and subsections (11) and
100 (12) are added to that section, to read:

101 468.609 Administration of this part; standards for
102 certification; additional categories of certification.—

103 (2) A person may take the examination for certification as
104 a building code inspector or plans examiner pursuant to this
105 part if the person:

106 (c) Meets eligibility requirements according to one of the
107 following criteria:

108 1. Demonstrates 5 years' combined experience in the field
109 of construction or a related field, building code inspection, or
110 plans review corresponding to the certification category sought;

111 2. Demonstrates a combination of postsecondary education in
112 the field of construction or a related field and experience
113 which totals 4 years, with at least 1 year of such total being
114 experience in construction, building code inspection, or plans
115 review;

116 3. Demonstrates a combination of technical education in the
117 field of construction or a related field and experience which
118 totals 4 years, with at least 1 year of such total being
119 experience in construction, building code inspection, or plans
120 review;

121 4. Currently holds a standard certificate issued by the
122 board or a firesafety inspector license issued pursuant to
123 chapter 633, has a minimum of 3 years' verifiable full-time
124 experience in inspection or plan review, and has satisfactorily
125 completed a building code inspector or plans examiner training
126 program that provides at least 100 hours but not more than 200



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127 hours of cross-training in the certification category sought.
128 The board shall establish by rule criteria for the development
129 and implementation of the training programs. The board shall
130 accept all classroom training offered by an approved provider if
131 the content substantially meets the intent of the classroom
132 component of the training program;

133 5. Demonstrates a combination of the completion of an
134 approved training program in the field of building code
135 inspection or plan review and a minimum of 2 years' experience
136 in the field of building code inspection, plan review, fire code
137 inspections and fire plans review of new buildings as a
138 firesafety inspector certified under s. 633.216, or
139 construction. The approved training portion of this requirement
140 shall include proof of satisfactory completion of a training
141 program that provides at least 200 hours but not more than 300
142 hours of cross-training that is approved by the board in the
143 chosen category of building code inspection or plan review in
144 the certification category sought with at least 20 hours but not
145 more than 30 hours of instruction in state laws, rules, and
146 ethics relating to professional standards of practice, duties,
147 and responsibilities of a certificateholder. The board shall
148 coordinate with the Building Officials Association of Florida,
149 Inc., to establish by rule the development and implementation of
150 the training program. However, the board shall accept all
151 classroom training offered by an approved provider if the
152 content substantially meets the intent of the classroom
153 component of the training program; ~~or~~

154 6. Currently holds a standard certificate issued by the
155 board or a firesafety inspector license issued pursuant to



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156 chapter 633 and:

157 a. Has at least 5 years' verifiable full-time experience as
158 an inspector or plans examiner in a standard certification
159 category currently held or has a minimum of 5 years' verifiable
160 full-time experience as a firesafety inspector licensed pursuant
161 to chapter 633.

162 b. Has satisfactorily completed a building code inspector
163 or plans examiner classroom training course or program that
164 provides at least 200 but not more than 300 hours in the
165 certification category sought, except for one-family and two-
166 family dwelling training programs, which must provide at least
167 500 but not more than 800 hours of training as prescribed by the
168 board. The board shall establish by rule criteria for the
169 development and implementation of classroom training courses and
170 programs in each certification category; ~~or-~~

171 7. Completes an inspector or plans examiner internship
172 certification program that includes all of the following:

173 a. Passing an International Code Council (ICC) administered
174 examination in the category sought before beginning a 4-year
175 internship while employed full time by a Florida municipality,
176 county, or other governmental jurisdiction under the direct
177 supervision of a standard certified, government employed,
178 sponsoring building official. A related vocational or college
179 degree attained or verifiable on-the-job experience may reduce
180 the internship period year-for-year to no less than 1 year.

181 b. Passing the Florida Principles and Practice exam before
182 completing the internship period.

183 c. Passing a board-approved 40-hour code training course in
184 the category sought before completing the internship period.



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185 d. Obtaining a favorable recommendation from the sponsoring
186 building official upon completion of the internship period.

187 (7) (a) The board shall provide for the issuance of
188 provisional certificates valid for 1 year, as specified by board
189 rule, to any ~~newly employed or promoted~~ building code inspector
190 or plans examiner who meets the eligibility requirements
191 described in subsection (2) and any newly employed or promoted
192 building code administrator who meets the eligibility
193 requirements described in subsection (3). The provisional
194 license may be renewed by the board for just cause; however, a
195 provisional license is not valid for longer than 3 years.

196 (d) A ~~newly employed or hired~~ person may perform the duties
197 of a plans examiner or building code inspector for 120 days if a
198 provisional certificate application has been submitted if such
199 person is under the direct supervision of a certified building
200 code administrator who holds a standard certification and who
201 has found such person qualified for a provisional certificate.
202 Direct supervision and the determination of qualifications may
203 also be provided by a building code administrator who holds a
204 limited or provisional certificate in a county having a
205 population of fewer than 75,000 and in a municipality located
206 within such county.

207 (10) The board may by rule create categories of
208 certification in addition to those defined in s. 468.603(5) ~~s.~~
209 ~~468.603(6)~~ and (8) ~~(7)~~. Such certification categories shall not
210 be mandatory and shall not act to diminish the scope of any
211 certificate created by statute.

212 (11) The board shall by rule:

213 (a) Establish a procedure to determine reciprocity for an



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214 ICC examination administered by another state.
215 (b) Authorize candidates under subparagraph (2)(c)7. to:
216 1. Perform duties during the first 120 days after initial
217 application submittal to the board.
218 2. Apply for a 1-year provisional certificate before
219 completing the internship period if the candidate has not passed
220 the Florida Principles and Practice exam or 40-hour code
221 training course.
222 3. Apply for standard certification at least 30 days but
223 not more than 60 days before completing the internship period.
224 (c) Develop a form to authorize candidates under
225 subparagraph (2)(c)7. to transfer approved partial internship
226 periods completed in other jurisdictions.
227 (d) Develop an electronic application for standard
228 certification of interns who successfully complete the program
229 described in subparagraph (2)(c)7.
230 (e) Establish minimum standards for, and a procedure to
231 determine the eligibility of, internships for candidates to
232 obtain certification under subparagraph (2)(c)7.
233 (12) After achieving initial standard certification, a
234 person may seek additional certifications in other categories by
235 completing additional nonconcurrent internship programs when
236 passing an ICC examination, passing a board-approved 40-hour
237 code training course, and completing an additional 1-year, full-
238 time internship in the respective category sought. Any person
239 holding a standard certification may seek additional
240 certifications.
241 Section 3. Subsection (3) of section 468.617, Florida
242 Statutes, is amended to read:



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243 468.617 Joint building code inspection department; other
244 arrangements.—

245 (3) Nothing in this part shall prohibit any county or
246 municipal government, school board, community college board,
247 state university, or state agency from entering into any
248 contract with any person or entity for the provision of building
249 code administrator, building code official, or building code
250 inspection services regulated under this part, and
251 notwithstanding any other statutory provision, such county or
252 municipal governments may enter into contracts.

253 Section 4. Subsection (4) of section 468.8313, Florida
254 Statutes, is amended to read:

255 468.8313 Examinations.—

256 (4) The department may review and approve examinations by a
257 nationally recognized entity that offers programs or sets
258 standards that ensure competence as a home inspector, provided
259 that only examinations meeting the standards of a national
260 examination as defined by rule and certified by the department
261 may be approved.

262 Section 5. Paragraphs (d) and (i) of subsection (1) of
263 section 553.791, Florida Statutes, are amended to read:

264 553.791 Alternative plans review and inspection.—

265 (1) As used in this section, the term:

266 (d) "Building code inspection services" means those
267 services described in s. 468.603(5) ~~s. 468.603(6)~~ and (8) ~~(7)~~
268 involving the review of building plans to determine compliance
269 with applicable codes and those inspections required by law of
270 each phase of construction for which permitting by a local
271 enforcement agency is required to determine compliance with



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272 applicable codes.

273 (i) "Private provider" means a person licensed as a
274 building code administrator under part XII of chapter 468, as an
275 engineer under chapter 471, or as an architect under chapter
276 481. For purposes of performing inspections under this section
277 for additions and alterations that are limited to 1,000 square
278 feet or less to residential buildings, the term "private
279 provider" also includes a person who holds a standard
280 certificate under part XII of chapter 468.

281 Section 6. Section 471.045, Florida Statutes, is amended to
282 read:

283 471.045 Professional engineers performing building code
284 inspector duties.—Notwithstanding any other provision of law, a
285 person who is currently licensed under this chapter to practice
286 as a professional engineer may provide building code inspection
287 services described in s. 468.603(5) ~~s. 468.603(6)~~ and (8) ~~(7)~~ to
288 a local government or state agency upon its request, without
289 being certified by the Florida Building Code Administrators and
290 Inspectors Board under part XII of chapter 468. When performing
291 these building code inspection services, the professional
292 engineer is subject to the disciplinary guidelines of this
293 chapter and s. 468.621(1)(c)-(h). Any complaint processing,
294 investigation, and discipline that arise out of a professional
295 engineer's performing building code inspection services shall be
296 conducted by the Board of Professional Engineers rather than the
297 Florida Building Code Administrators and Inspectors Board. A
298 professional engineer may not perform plans review as an
299 employee of a local government upon any job that the
300 professional engineer or the professional engineer's company



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301 designed.

302 Section 7. Section 481.222, Florida Statutes, is amended to
303 read:

304 481.222 Architects performing building code inspection
305 services.—Notwithstanding any other provision of law, a person
306 who is currently licensed to practice as an architect under this
307 part may provide building code inspection services described in
308 s. 468.603(5) ~~s. 468.603(6)~~ and (8) ~~(7)~~ to a local government or
309 state agency upon its request, without being certified by the
310 Florida Building Code Administrators and Inspectors Board under
311 part XII of chapter 468. With respect to the performance of such
312 building code inspection services, the architect is subject to
313 the disciplinary guidelines of this part and s. 468.621(1)(c)-
314 (h). Any complaint processing, investigation, and discipline
315 that arise out of an architect's performance of building code
316 inspection services shall be conducted by the Board of
317 Architecture and Interior Design rather than the Florida
318 Building Code Administrators and Inspectors Board. An architect
319 may not perform plans review as an employee of a local
320 government upon any job that the architect or the architect's
321 company designed.

322 Section 8. This act shall take effect October 1, 2017.

323
324 ===== T I T L E A M E N D M E N T =====

325 And the title is amended as follows:

326 Delete everything before the enacting clause
327 and insert:

328 A bill to be entitled
329 An act relating to building code administrators and



330 inspectors; amending s. 468.603, F.S.; revising and
331 defining terms; amending s. 468.609, F.S.; creating an
332 internship path to certification as an inspector or
333 plans examiner; specifying requirements for the
334 internship periods; requiring the board to authorize
335 specified candidates for certification as building
336 code inspectors or plans examiners to perform duties
337 during a specified period after initial application,
338 to apply for a 1-year provisional certificate under
339 certain circumstances, and to apply for standard
340 certification within a certain time before completing
341 the internship period; deleting being newly hired or
342 promoted as a condition for eligibility to qualify for
343 a provisional certificate; requiring rulemaking;
344 requiring the board to develop a form to transfer
345 internship periods completed in other jurisdictions
346 under certain circumstances; requiring the board to
347 develop an electronic application for standard
348 certification for certain persons; authorizing persons
349 to seek additional certifications if they meet certain
350 requirements; conforming cross-references; amending s.
351 468.617, F.S.; specifying that a county or municipal
352 government, school board, community college board,
353 state university, or state agency is not prohibited
354 from entering into a contract for the services of a
355 building code administrator or building code official;
356 amending s. 468.8313, F.S.; providing conditions for
357 the department to review and approve certain
358 examinations; amending s. 553.791, F.S.; revising the



359 definition of the term "private provider"; conforming
360 cross-references; amending ss. 471.045 and 481.222,
361 F.S.; conforming cross-references; providing an
362 effective date.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/14/2017	.	
	.	
	.	
	.	

The Committee on Community Affairs (Lee) recommended the following:

1 **Senate Amendment to Amendment (153030) (with title**
2 **amendment)**

3
4 Between lines 261 and 262
5 insert:

6 Section 5. Subsections (3), (7), and (8) of section 553.73,
7 Florida Statutes, and paragraphs (a) and (b) of subsection (9)
8 of that section, are amended to read:

9 553.73 Florida Building Code.—

10 (3) The commission shall use the 6th edition, and



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11 subsequent editions, of the Florida Building Code as the
12 ~~International Codes published by the International Code Council,~~
13 ~~the National Electric Code (NFPA 70), or other nationally~~
14 ~~adopted model codes and standards needed to develop the base~~
15 ~~code in Florida to form the~~ foundation for the development of
16 and updates to the Florida Building Code. ~~The Florida Building~~
17 ~~commission may approve technical amendments to the code as~~
18 provided in, ~~subject to~~ subsections (8) and (9), ~~after the~~
19 ~~amendments have been~~ subject to all of the following conditions:

20 (a) The proposed amendment must have ~~has~~ been published on
21 the commission's website for a minimum of 45 days and all the
22 associated documentation must have ~~has~~ been made available to
23 any interested party before ~~any~~ consideration by a technical
24 advisory committee. ~~†~~

25 (b) In order for a technical advisory committee to make a
26 favorable recommendation to the commission, the proposal must
27 receive a three-fourths vote of the members present at the
28 ~~technical advisory committee meeting.~~ and At least half of the
29 regular members must be present in order to conduct a meeting. ~~†~~

30 (c) After the technical advisory committee has considered
31 and recommended ~~consideration and a recommendation for~~ approval
32 of any proposed amendment, the proposal must be published on the
33 commission's website for at least 45 days before ~~any~~
34 consideration by the commission. ~~† and~~

35 (d) A proposal may be modified by the commission based on
36 public testimony and evidence from a public hearing held in
37 accordance with chapter 120.

38
39 The commission shall incorporate within ~~sections of~~ the Florida



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40 Building Code provisions that ~~which~~ address regional and local
41 concerns and variations. The commission shall make every effort
42 to minimize conflicts between the Florida Building Code, the
43 Florida Fire Prevention Code, and the Life Safety Code.

44 (7) (a) The commission, by rule ~~adopted pursuant to ss.~~
45 ~~120.536(1) and 120.54~~, shall review ~~update~~ the Florida Building
46 Code every 3 years to consider whether it needs to be revised.
47 The commission shall adopt code revisions by rule. When
48 evaluating potential revisions to ~~updating~~ the Florida Building
49 Code, the commission shall review ~~select~~ the most current
50 version of the International Building Code, the International
51 Fuel Gas Code, the International Mechanical Code, the
52 International Plumbing Code, and the International Residential
53 Code, all of which are adopted by the International Code
54 Council, and the National Electrical Code, which is adopted by
55 the National Fire Protection Association, ~~to form the foundation~~
56 ~~codes of the updated Florida Building Code, if the version has~~
57 ~~been adopted by the applicable model code entity.~~ The commission
58 shall also review ~~select~~ the most current version of the
59 International Energy Conservation Code (IECC) ~~as a foundation~~
60 ~~code; however, the IECC shall be modified by the commission~~ must
61 ~~to~~ maintain the efficiencies of the Florida Energy Efficiency
62 Code for Building Construction adopted and amended pursuant to
63 s. 553.901.

64 (b) Codes regarding noise contour lines shall be reviewed
65 annually, and the most current federal guidelines shall be
66 adopted.

67 (c) The commission may adopt as a technical amendment to
68 the Florida Building Code ~~modify~~ any portion of the ~~foundation~~



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69 codes identified in paragraph (a) only as needed to accommodate
70 the specific needs of this state. Standards or criteria adopted
71 from such ~~referenced by the~~ codes shall be incorporated by
72 reference to the specific provisions of such codes which are
73 adopted. If a referenced standard or criterion requires
74 amplification or modification to be appropriate for use in this
75 state, only the amplification or modification shall be set forth
76 in the Florida Building Code. The commission may approve
77 technical amendments to the updated Florida Building Code after
78 the amendments have been subject to the conditions set forth in
79 paragraphs (3)(a)-(d). Amendments that ~~to the foundation codes~~
80 ~~which~~ are adopted in accordance with this subsection shall be
81 clearly marked in printed versions of the Florida Building Code
82 so that the fact that the provisions are ~~Florida-specific~~
83 amendments ~~to the foundation codes~~ is readily apparent.

84 (d) The commission shall further consider the commission's
85 own interpretations, declaratory statements, appellate
86 decisions, and approved statewide and local technical amendments
87 and shall incorporate such interpretations, statements,
88 decisions, and amendments into the updated Florida Building Code
89 only to the extent that they are needed to ~~modify the foundation~~
90 ~~codes to~~ accommodate the specific needs of the state. A change
91 made by an institute or standards organization to any standard
92 or criterion that is adopted by reference in the Florida
93 Building Code does not become effective statewide until it has
94 been adopted by the commission. Furthermore, the edition of the
95 Florida Building Code which is in effect on the date of
96 application for any permit authorized by the code governs the
97 permitted work for the life of the permit and any extension



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98 granted to the permit.

99 (e) A rule updating the Florida Building Code in accordance
100 with this subsection shall take effect no sooner than 6 months
101 after publication of the updated code. Any amendment to the
102 Florida Building Code which is adopted upon a finding by the
103 commission that the amendment is necessary to protect the public
104 from immediate threat of harm takes effect immediately.

105 (f) Provisions of the Florida Building Code ~~foundation~~
106 ~~codes~~, including those contained in referenced standards and
107 criteria, relating to wind resistance or the prevention of water
108 intrusion may not be modified to diminish those construction
109 requirements; however, the commission may, subject to conditions
110 in this subsection, modify the provisions to enhance those
111 construction requirements.

112 ~~(g) Amendments or modifications to the foundation code~~
113 ~~pursuant to this subsection shall remain effective only until~~
114 ~~the effective date of a new edition of the Florida Building Code~~
115 ~~every third year. Amendments or modifications related to state~~
116 ~~agency regulations which are adopted and integrated into an~~
117 ~~edition of the Florida Building Code shall be carried forward~~
118 ~~into the next edition of the code, subject to modification as~~
119 ~~provided in this part. Amendments or modifications related to~~
120 ~~the wind-resistance design of buildings and structures within~~
121 ~~the high-velocity hurricane zone of Miami-Dade and Broward~~
122 ~~Counties which are adopted to an edition of the Florida Building~~
123 ~~Code do not expire and shall be carried forward into the next~~
124 ~~edition of the code, subject to review or modification as~~
125 ~~provided in this part. If amendments that expire pursuant to~~
126 ~~this paragraph are resubmitted through the Florida Building~~



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127 ~~commission code adoption process, the amendments must~~
128 ~~specifically address whether:~~

129 ~~1. The provisions contained in the proposed amendment are~~
130 ~~addressed in the applicable international code.~~

131 ~~2. The amendment demonstrates by evidence or data that the~~
132 ~~geographical jurisdiction of Florida exhibits a need to~~
133 ~~strengthen the foundation code beyond the needs or regional~~
134 ~~variations addressed by the foundation code, and why the~~
135 ~~proposed amendment applies to this state.~~

136 ~~3. The proposed amendment was submitted or attempted to be~~
137 ~~included in the foundation codes to avoid resubmission to the~~
138 ~~Florida Building Code amendment process.~~

139
140 ~~If the proposed amendment has been addressed in the~~
141 ~~international code in a substantially equivalent manner, the~~
142 ~~Florida Building commission may not include the proposed~~
143 ~~amendment in the foundation Code.~~

144 ~~(8) Notwithstanding the provisions of subsection (3) or~~
145 ~~subsection (7), the commission may address issues identified in~~
146 ~~this subsection by amending the code pursuant only to the rule~~
147 ~~adoption procedures contained in chapter 120. Provisions of The~~
148 ~~Florida Building Code, including provisions ~~those~~ contained in~~
149 ~~referenced standards and criteria which relate, relating to wind~~
150 ~~resistance or the prevention of water intrusion, may not be~~
151 ~~amended pursuant to this subsection to diminish those standards~~
152 ~~construction requirements; however, the commission may, subject~~
153 ~~to conditions in this subsection, amend the Florida Building~~
154 ~~Code the provisions to enhance such standards ~~those construction~~~~
155 ~~requirements. Following the approval of any amendments to the~~



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156 Florida Building Code by the commission and publication of the
157 amendments on the commission's website, authorities having
158 jurisdiction to enforce the Florida Building Code may enforce
159 the amendments. The commission may approve amendments that are
160 needed to address:

- 161 (a) Conflicts within the updated code;
- 162 (b) Conflicts between the updated code and the Florida Fire
163 Prevention Code adopted pursuant to chapter 633;
- 164 (c) Unintended results from the integration of previously
165 adopted ~~Florida-specific~~ amendments with the model code;
- 166 (d) Equivalency of standards;
- 167 (e) Changes to or inconsistencies with federal or state
168 law; or
- 169 (f) Adoption of an updated edition of the National
170 Electrical Code if the commission finds that delay of
171 implementing the updated edition causes undue hardship to
172 stakeholders or otherwise threatens the public health, safety,
173 and welfare.

174 (9) (a) The commission may approve technical amendments to
175 the Florida Building Code once each year for statewide or
176 regional application upon a finding that the amendment:

- 177 1. Is needed in order to accommodate the specific needs of
178 this state.
- 179 2. Has a reasonable and substantial connection with the
180 health, safety, and welfare of the general public.
- 181 3. Strengthens or improves the Florida Building Code, or in
182 the case of innovation or new technology, will provide
183 equivalent or better products or methods or systems of
184 construction.



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185 4. Does not discriminate against materials, products,
186 methods, or systems of construction of demonstrated
187 capabilities.

188 5. Does not degrade the effectiveness of the Florida
189 Building Code.

190
191 The Florida Building Commission may approve technical amendments
192 to the code once each year to incorporate into the Florida
193 Building Code its own interpretations of the code which are
194 embodied in its opinions, final orders, declaratory statements,
195 and interpretations of hearing officer panels under s.
196 553.775(3)(c), but only to the extent that the incorporation of
197 interpretations is needed to modify the code ~~foundation codes~~ to
198 accommodate the specific needs of this state. Amendments
199 approved under this paragraph shall be adopted by rule after the
200 amendments have been subjected to subsection (3).

201 (b) A proposed amendment must include a fiscal impact
202 statement that documents the costs and benefits of the proposed
203 amendment. Criteria for the fiscal impact statement shall be
204 established by rule by the commission and shall include the
205 impact to local government relative to enforcement, the impact
206 to property and building owners, and the impact to industry,
207 relative to the cost of compliance. The amendment must
208 demonstrate by evidence or data that the state's geographical
209 jurisdiction exhibits a need to strengthen the ~~foundation~~ code
210 beyond the needs or regional variations addressed by the
211 ~~foundation~~ code and why the proposed amendment applies to this
212 state.

213 Section 6. Subsection (2) of section 553.76, Florida



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214 Statutes, is amended to read:

215 553.76 General powers of the commission.—The commission is
216 authorized to:

217 (2) Issue memoranda of procedure for its internal
218 management and control. The commission may adopt rules related
219 to its consensus-based decisionmaking process, including, but
220 not limited to, super majority voting requirements ~~for~~
221 ~~commission actions relating to the adoption of the Florida~~
222 ~~Building Code or amendments to the code.~~ However, the commission
223 must adopt the Florida Building Code, and amendments thereto, by
224 at least a three-fourths vote of the members present at a
225 meeting.

226
227 ===== T I T L E A M E N D M E N T =====

228 And the title is amended as follows:

229 Delete lines 329 - 358

230 and insert:

231 An act relating to the Florida Building Code; amending
232 s. 468.603, F.S.; revising and defining terms;
233 amending s. 468.609, F.S.; creating an internship path
234 to certification as an inspector or plans examiner;
235 specifying requirements for the internship periods;
236 requiring the board to authorize specified candidates
237 for certification as building code inspectors or plans
238 examiners to perform duties during a specified period
239 after initial application, to apply for a 1-year
240 provisional certificate under certain circumstances,
241 and to apply for standard certification within a
242 certain time before completing the internship period;



243 deleting being newly hired or promoted as a condition
244 for eligibility to qualify for a provisional
245 certificate; requiring rulemaking; requiring the board
246 to develop a form to transfer internship periods
247 completed in other jurisdictions under certain
248 circumstances; requiring the board to develop an
249 electronic application for standard certification for
250 certain persons; authorizing persons to seek
251 additional certifications if they meet certain
252 requirements; conforming cross-references; amending s.
253 468.617, F.S.; specifying that a county or municipal
254 government, school board, community college board,
255 state university, or state agency is not prohibited
256 from entering into a contract for the services of a
257 building code administrator or building code official;
258 amending s. 468.8313, F.S.; providing conditions for
259 the department to review and approve certain
260 examinations; amending s. 553.73, F.S.; requiring the
261 Florida Building Commission to use the 6th and
262 subsequent editions of the Florida Building Code as
263 the foundation for the development of and updates to
264 the code; requiring the commission to review, rather
265 than update, the Florida Building Code every 3 years;
266 deleting a provision that specifies how long
267 amendments or modifications to the foundation remain
268 effective; deleting provisions limiting the length of
269 time that an amendment or modification is effective;
270 deleting a provision requiring certain amendments or
271 modifications to be carried forward into the next



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272 edition of the code, subject to certain conditions;
273 deleting certain requirements for the resubmission of
274 expired amendments; deleting a provision prohibiting a
275 proposed amendment from being included in the
276 foundation code if it has been addressed in the
277 international code; conforming provisions to changes
278 made by the act; amending s. 553.76, F.S.; requiring
279 the commission to adopt the Florida Building Code, and
280 amendments thereto, by a minimum percentage of votes;
281 amending s. 553.791, F.S.; revising the

By Senator Brandes

24-01173-17

2017860__

1 A bill to be entitled
2 An act relating to building code administrators and
3 inspectors; amending s. 468.603, F.S.; revising and
4 defining terms; amending s. 468.609, F.S.; creating an
5 internship path to certification as an inspector or
6 plans examiner; specifying requirements for the
7 internship periods; requiring the board to authorize
8 specified candidates for certification as building
9 code inspectors or plans examiners to perform duties
10 during a specified period after initial application,
11 to apply for a 1-year provisional certificate under
12 certain circumstances, and to apply for standard
13 certification within a certain time before completing
14 the internship period; deleting being newly hired or
15 promoted as a condition for eligibility to qualify for
16 a provisional certificate; requiring rulemaking;
17 requiring the board to develop a form to transfer
18 internship periods completed in other jurisdictions
19 under certain circumstances; requiring the board to
20 develop an electronic application for standard
21 certification for certain persons; authorizing persons
22 to seek additional certifications if they meet certain
23 requirements; conforming cross-references; amending s.
24 553.791, F.S.; revising the definition of the term
25 "private provider"; conforming cross-references;
26 amending ss. 471.045 and 481.222, F.S.; conforming
27 cross-references; providing an effective date.

28
29 Be It Enacted by the Legislature of the State of Florida:

30
31 Section 1. Section 468.603, Florida Statutes, is reordered
32 and amended to read:

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33 468.603 Definitions.—As used in this part:

34 (2)~~(1)~~ "Building code administrator" or "building official"
35 means any of those employees of municipal or county governments
36 with building construction regulation responsibilities who are
37 charged with the responsibility for direct regulatory
38 administration or supervision of plan review, enforcement, or
39 inspection of building construction, erection, repair, addition,
40 remodeling, demolition, or alteration projects that require
41 permitting indicating compliance with building, plumbing,
42 mechanical, electrical, gas, fire prevention, energy,
43 accessibility, and other construction codes as required by state
44 law or municipal or county ordinance. This term is synonymous
45 with "building official" as used in the administrative chapter
46 of the Standard Building Code and the South Florida Building
47 Code. One person employed by each municipal or county government
48 as a building code administrator or building official and who is
49 so certified under this part may be authorized to perform any
50 plan review or inspection for which certification is required by
51 this part, including performing any plan review or inspection as
52 a currently designated standard certified building official
53 under an interagency service agreement with a jurisdiction of
54 population 50,000 or fewer.

55 (4)~~(2)~~ "Building code inspector" means any of those
56 employees of local governments or state agencies with building
57 construction regulation responsibilities who themselves conduct
58 inspections of building construction, erection, repair,
59 addition, or alteration projects that require permitting
60 indicating compliance with building, plumbing, mechanical,
61 electrical, gas, fire prevention, energy, accessibility, and

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62 other construction codes as required by state law or municipal
63 or county ordinance.

64 (1)~~(3)~~ "Board" means the Florida Building Code
65 Administrators and Inspectors Board.

66 (7)~~(4)~~ "Department" means the Department of Business and
67 Professional Regulation.

68 (6)~~(5)~~ "Certificate" means a certificate of qualification
69 issued by the department as provided in this part.

70 (5)~~(6)~~ "Categories of building code inspectors" include the
71 following:

72 (a) "Building inspector" means a person who is qualified to
73 inspect and determine that buildings and structures are
74 constructed in accordance with the provisions of the governing
75 building codes and state accessibility laws.

76 (b) "Coastal construction inspector" means a person who is
77 qualified to inspect and determine that buildings and structures
78 are constructed to resist near-hurricane and hurricane velocity
79 winds in accordance with the provisions of the governing
80 building code.

81 (c) "Commercial electrical inspector" means a person who is
82 qualified to inspect and determine the electrical safety of
83 commercial buildings and structures by inspecting for compliance
84 with the provisions of the National Electrical Code.

85 (d) "Residential electrical inspector" means a person who
86 is qualified to inspect and determine the electrical safety of
87 one and two family dwellings and accessory structures by
88 inspecting for compliance with the applicable provisions of the
89 governing electrical code.

90 (e) "Mechanical inspector" means a person who is qualified

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91 to inspect and determine that the mechanical installations and
92 systems for buildings and structures are in compliance with the
93 provisions of the governing mechanical code.

94 (f) "Plumbing inspector" means a person who is qualified to
95 inspect and determine that the plumbing installations and
96 systems for buildings and structures are in compliance with the
97 provisions of the governing plumbing code.

98 (g) "One and two family dwelling inspector" means a person
99 who is qualified to inspect and determine that one and two
100 family dwellings and accessory structures are constructed in
101 accordance with the provisions of the governing building,
102 plumbing, mechanical, accessibility, and electrical codes.

103 (h) "Electrical inspector" means a person who is qualified
104 to inspect and determine the electrical safety of commercial and
105 residential buildings and accessory structures by inspecting for
106 compliance with the provisions of the National Electrical Code.

107 (8)~~(7)~~ "Plans examiner" means a person who is qualified to
108 determine that plans submitted for purposes of obtaining
109 building and other permits comply with the applicable building,
110 plumbing, mechanical, electrical, gas, fire prevention, energy,
111 accessibility, and other applicable construction codes.

112 Categories of plans examiners include:

113 (a) Building plans examiner.

114 (b) Plumbing plans examiner.

115 (c) Mechanical plans examiner.

116 (d) Electrical plans examiner.

117 (3)~~(8)~~ "Building code enforcement official" or "enforcement
118 official" means a licensed building code administrator, building
119 code inspector, or plans examiner.

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120 (9) "Residential plans examiner" means a person who is
121 qualified to determine whether plans submitted for purposes of
122 obtaining building and other permits comply with the applicable
123 residential building, plumbing, mechanical, electrical, gas,
124 energy, accessibility, and other construction codes.

125 Section 2. Paragraph (c) of subsection (2), paragraphs (a)
126 and (d) of subsection (7), and subsection (10) of section
127 468.609, Florida Statutes, are amended, and subsections (11) and
128 (12) are added to that section, to read:

129 468.609 Administration of this part; standards for
130 certification; additional categories of certification.—

131 (2) A person may take the examination for certification as
132 a building code inspector or plans examiner pursuant to this
133 part if the person:

134 (c) Meets eligibility requirements according to one of the
135 following criteria:

136 1. Demonstrates 5 years' combined experience in the field
137 of construction or a related field, building code inspection, or
138 plans review corresponding to the certification category sought;

139 2. Demonstrates a combination of postsecondary education in
140 the field of construction or a related field and experience
141 which totals 4 years, with at least 1 year of such total being
142 experience in construction, building code inspection, or plans
143 review;

144 3. Demonstrates a combination of technical education in the
145 field of construction or a related field and experience which
146 totals 4 years, with at least 1 year of such total being
147 experience in construction, building code inspection, or plans
148 review;

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149 4. Currently holds a standard certificate issued by the
150 board or a firesafety inspector license issued pursuant to
151 chapter 633, has a minimum of 3 years' verifiable full-time
152 experience in inspection or plan review, and has satisfactorily
153 completed a building code inspector or plans examiner training
154 program that provides at least 100 hours but not more than 200
155 hours of cross-training in the certification category sought.
156 The board shall establish by rule criteria for the development
157 and implementation of the training programs. The board shall
158 accept all classroom training offered by an approved provider if
159 the content substantially meets the intent of the classroom
160 component of the training program;

161 5. Demonstrates a combination of the completion of an
162 approved training program in the field of building code
163 inspection or plan review and a minimum of 2 years' experience
164 in the field of building code inspection, plan review, fire code
165 inspections and fire plans review of new buildings as a
166 firesafety inspector certified under s. 633.216, or
167 construction. The approved training portion of this requirement
168 shall include proof of satisfactory completion of a training
169 program that provides at least 200 hours but not more than 300
170 hours of cross-training that is approved by the board in the
171 chosen category of building code inspection or plan review in
172 the certification category sought with at least 20 hours but not
173 more than 30 hours of instruction in state laws, rules, and
174 ethics relating to professional standards of practice, duties,
175 and responsibilities of a certificateholder. The board shall
176 coordinate with the Building Officials Association of Florida,
177 Inc., to establish by rule the development and implementation of

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178 the training program. However, the board shall accept all
179 classroom training offered by an approved provider if the
180 content substantially meets the intent of the classroom
181 component of the training program; ~~or~~

182 6. Currently holds a standard certificate issued by the
183 board or a firesafety inspector license issued pursuant to
184 chapter 633 and:

185 a. Has at least 5 years' verifiable full-time experience as
186 an inspector or plans examiner in a standard certification
187 category currently held or has a minimum of 5 years' verifiable
188 full-time experience as a firesafety inspector licensed pursuant
189 to chapter 633.

190 b. Has satisfactorily completed a building code inspector
191 or plans examiner classroom training course or program that
192 provides at least 200 but not more than 300 hours in the
193 certification category sought, except for one-family and two-
194 family dwelling training programs, which must provide at least
195 500 but not more than 800 hours of training as prescribed by the
196 board. The board shall establish by rule criteria for the
197 development and implementation of classroom training courses and
198 programs in each certification category; or

199 7. Completes an inspector or plans examiner internship
200 certification program that includes all of the following:

201 a. Passing an International Code Council (ICC) administered
202 examination in the category sought prior to beginning a 4-year
203 internship while employed full time by a Florida municipality,
204 county, or other governmental jurisdiction under the direct
205 supervision of a standard certified, government employed,
206 sponsoring building official. A related vocational or college

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207 degree attained or verifiable on-the-job experience may reduce
208 the internship period year-for-year to no less than 1 year.

209 b. Passing the State of Florida Principles and Practice
210 exam prior to completing the internship period.

211 c. Passing a Building Code Administrator and Inspectors
212 Board (BCAIB) approved 40-hour code training in the category
213 sought before completing the internship period.

214 d. Obtaining a favorable recommendation from the sponsoring
215 building official upon completion of the internship period.

216 (7) (a) The board shall provide for the issuance of
217 provisional certificates valid for 1 year, as specified by board
218 rule, to any ~~newly employed or promoted~~ building code inspector
219 or plans examiner who meets the eligibility requirements
220 described in subsection (2) and any newly employed or promoted
221 building code administrator who meets the eligibility
222 requirements described in subsection (3). The provisional
223 license may be renewed by the board for just cause; however, a
224 provisional license is not valid for longer than 3 years.

225 (d) A ~~newly employed or hired~~ person may perform the duties
226 of a plans examiner or building code inspector for 120 days if a
227 provisional certificate application has been submitted if such
228 person is under the direct supervision of a certified building
229 code administrator who holds a standard certification and who
230 has found such person qualified for a provisional certificate.
231 Direct supervision and the determination of qualifications may
232 also be provided by a building code administrator who holds a
233 limited or provisional certificate in a county having a
234 population of fewer than 75,000 and in a municipality located
235 within such county.

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236 (10) The board may by rule create categories of
237 certification in addition to those defined in s. 468.603(5) ~~s.~~
238 ~~468.603(6)~~ and (8) ~~(7)~~. Such certification categories shall not
239 be mandatory and shall not act to diminish the scope of any
240 certificate created by statute.

241 (11) The board shall by rule:

242 (a) Establish a procedure to determine reciprocity for an
243 ICC examination administered by another state.

244 (b) Authorize candidates under subparagraph (2)(c)7. to:

245 1. Perform duties during the first 120 days after initial
246 application submittal to the board.

247 2. Apply for a 1-year provisional certificate before
248 completing the internship period if the candidate has not passed
249 the principles and practice exam or 40-hour code training
250 course.

251 3. Apply for standard certification at least 30 days but
252 not more than 60 days before completing the internship period.

253 (c) Develop a form to authorize candidates under
254 subparagraph (2)(c)7. to transfer approved partial internship
255 periods completed in other jurisdictions.

256 (d) Develop an electronic application for standard
257 certification of interns who successfully complete the program
258 described in subparagraph (2)(c)7.

259 (12) After achieving initial standard certification, a
260 person may seek additional certifications in other categories by
261 completing additional nonconcurrent internship programs when
262 passing an ICC examination, passing a BCAIB approved 40-hour
263 code training, and completing an additional 1-year, full-time
264 internship in the respective category sought. Any person holding

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265 a standard certification may seek additional certifications.

266 Section 3. Paragraphs (d) and (i) of subsection (1) of
267 section 553.791, Florida Statutes, are amended to read:

268 553.791 Alternative plans review and inspection.—

269 (1) As used in this section, the term:

270 (d) "Building code inspection services" means those
271 services described in s. 468.603(5) ~~s. 468.603(6)~~ and (8) ~~(7)~~
272 involving the review of building plans to determine compliance
273 with applicable codes and those inspections required by law of
274 each phase of construction for which permitting by a local
275 enforcement agency is required to determine compliance with
276 applicable codes.

277 (i) "Private provider" means a person licensed as a
278 building code administrator under part XII of chapter 468, as an
279 engineer under chapter 471, or as an architect under chapter
280 481. For purposes of performing inspections under this section
281 for additions and alterations that are limited to 1,000 square
282 feet or less to residential buildings, the term "private
283 provider" also includes a person who holds a standard
284 certificate under part XII of chapter 468.

285 Section 4. Section 471.045, Florida Statutes, is amended to
286 read:

287 471.045 Professional engineers performing building code
288 inspector duties.—Notwithstanding any other provision of law, a
289 person who is currently licensed under this chapter to practice
290 as a professional engineer may provide building code inspection
291 services described in s. 468.603(5) ~~s. 468.603(6)~~ and (8) ~~(7)~~ to
292 a local government or state agency upon its request, without
293 being certified by the Florida Building Code Administrators and

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294 Inspectors Board under part XII of chapter 468. When performing
295 these building code inspection services, the professional
296 engineer is subject to the disciplinary guidelines of this
297 chapter and s. 468.621(1)(c)-(h). Any complaint processing,
298 investigation, and discipline that arise out of a professional
299 engineer's performing building code inspection services shall be
300 conducted by the Board of Professional Engineers rather than the
301 Florida Building Code Administrators and Inspectors Board. A
302 professional engineer may not perform plans review as an
303 employee of a local government upon any job that the
304 professional engineer or the professional engineer's company
305 designed.

306 Section 5. Section 481.222, Florida Statutes, is amended to
307 read:

308 481.222 Architects performing building code inspection
309 services.—Notwithstanding any other provision of law, a person
310 who is currently licensed to practice as an architect under this
311 part may provide building code inspection services described in
312 s. 468.603(5) ~~s. 468.603(6)~~ and (8) ~~(7)~~ to a local government or
313 state agency upon its request, without being certified by the
314 Florida Building Code Administrators and Inspectors Board under
315 part XII of chapter 468. With respect to the performance of such
316 building code inspection services, the architect is subject to
317 the disciplinary guidelines of this part and s. 468.621(1)(c)-
318 (h). Any complaint processing, investigation, and discipline
319 that arise out of an architect's performance of building code
320 inspection services shall be conducted by the Board of
321 Architecture and Interior Design rather than the Florida
322 Building Code Administrators and Inspectors Board. An architect

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323 may not perform plans review as an employee of a local
324 government upon any job that the architect or the architect's
325 company designed.

326 Section 6. This act shall take effect July 1, 2017.



The Florida Senate

Committee Agenda Request

To: Senator Tom Lee, Committee on
Community Affairs

Subject: Committee Agenda Request

Date: February 24th, 2017

I respectfully request that **Senate Bill #860**, relating to **Building Code Administrators and Inspectors**, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Jeff Brandes", written over a horizontal line.

Senator Jeff Brandes
Florida Senate, District 24

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/14/2017
Meeting Date

860
Bill Number (if applicable)

Topic BUILDING CODE ADMIN & INSPECTORS

Amendment Barcode (if applicable)

Name DAVID RAMBA

Job Title _____

Address 120 S. MONROE ST.

Phone 850-727-7087

Street

TALAHASSEE FL 32301

Email david@rambalaw.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing BUILDING CODE ADMINISTRATORS & INSPECTORS (BOAF)

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/14/2017

Meeting Date

SB 860

Bill Number (if applicable)

and Bar Code # 153030

Amendment Barcode (if applicable)

Topic Building Code Administrators & Inspectors

Name Edward E. Cabrador

Job Title Director, Intergovt. Affairs

Address 115 S. Andrews Avenue, Room 426

Phone (954) 357-7575

Street

Fort Lauderdale

FL

33301

City

State

Zip

Email ecabrador@broward.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing BROWARD COUNTY

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on
Transportation, Tourism, and Economic
Development, *Chair*
Appropriations
Community Affairs
Criminal Justice
Regulated Industries
Rules

SENATOR JEFF BRANDES

24th District

March 14, 2017

Senator Tom Lee
418 Senate Office Building
404 South Monroe St.
Tallahassee, FL 32399

Dear Chair Lee,

I respectfully request that I be excused from the Committee on Community Affairs meeting on Tuesday, March 14th. Please contact me should you have any questions.

Kind regards,

A handwritten signature in black ink, appearing to read "Jeff Brandes", with a long horizontal flourish extending to the right.

Jeff Brandes

REPLY TO:

- 9800 4th Street North, Suite 200, St. Petersburg, Florida 33702 (727) 563-2100
- 416 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5024

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore

CourtSmart Tag Report

Room: SB 301 Case No.:
Caption: Senate Committee on Community Affairs

Type:
Judge:

Started: 3/14/2017 10:35:28 AM
Ends: 3/14/2017 11:03:10 AM Length: 00:27:43

10:35:30 AM Meeting called to order
10:35:34 AM Roll call
10:35:48 AM Quorum present
10:35:57 AM Tab 4
10:36:09 AM Senator Stewart on SB 948
10:37:46 AM Questions?
10:37:54 AM Debate?
10:38:03 AM Senator Stewart closes on bill
10:38:13 AM Roll on SB 948
10:38:27 AM SB 948 reported favorably
10:38:30 AM Tab 1
10:38:39 AM CS/SB 68
10:38:52 AM Senator Grimsley on 68
10:39:25 AM Questions?
10:39:29 AM Debate?
10:39:43 AM Senator Grimsley closes on CS/SB 68
10:39:52 AM CS/SB is reported favorably
10:40:07 AM Tab 2
10:40:17 AM Senator Stargel on SB 880
10:40:34 AM Strike all amendment 108026
10:42:00 AM Questions?
10:42:06 AM Senator Clemens
10:42:48 AM Senator Stargel
10:42:54 AM Senator Clemens
10:43:00 AM Senator Stargel
10:43:24 AM Senator Clemens
10:43:48 AM Senator Stargel
10:44:13 AM Senator Clemens
10:44:38 AM Senator Stargel
10:45:11 AM Senator Clemens
10:45:26 AM Further questions?
10:45:33 AM Debate?
10:45:42 AM Senator Clemens
10:46:10 AM Senator Lee
10:47:44 AM Senator Stargel closes on SB 880
10:47:52 AM Objection to amendment?
10:47:59 AM Amendment is adopted
10:48:00 AM Amendment is adopted
10:48:09 AM Senator Stargel closes on bill
10:48:14 AM Roll call
10:48:30 AM SB 880 reported favorably
10:48:53 AM Senator Campbell moves to vote yes on Tab 1 & 2
10:49:00 AM Tab 3
10:49:11 AM Senator Artiles on CS/SB 190
10:50:37 AM Questions on bill?
10:50:43 AM Senator Rodriguez
10:50:48 AM Senator Artiles
10:51:26 AM Questions?
10:51:38 AM Amendment barcode 827660
10:51:56 AM Senator Artiles on barcode 827660
10:52:11 AM Debate?
10:52:24 AM Show the bill as amended

10:52:32 AM Senator Artiles closes
10:52:40 AM Roll call on SB 190
10:52:48 AM Bill reported favorably
10:52:51 AM Tab 5
10:53:18 AM Senator Perry co- sponsor of SB 854
10:54:00 AM Amendment barcode 586176
10:54:22 AM Senator Perry explains the amendment
10:54:52 AM Karen Koch, Florida Supportive Housing Coalition
10:55:16 AM amendment adopted
10:55:21 AM Zayne Smith, AARP
10:55:23 AM Daphanee Sainvil, Broward County
10:55:24 AM Andy Gonzalez, Florida Realtors
10:55:25 AM Bryan Cherry, FL Coalition for the Homeless
10:55:29 AM Ken Reecy, Florida Housing Finance Corporation
10:55:54 AM Senator Perry closes on bill
10:56:03 AM SB 854 reported favorably
10:57:11 AM Senator Lee turns chair over to Senator Clemens
10:57:21 AM Senator Lee on SB 860
10:57:33 AM Amendment barcode 153030
10:59:17 AM Senator Lee on amendment to the amendment
10:59:39 AM Barcode 200984
10:59:59 AM Amendment to the amendment is adopted
11:00:03 AM Questions?
11:00:08 AM Appearance cards
11:00:26 AM Edward Labrador, Broward County
11:00:34 AM Back on bill as amended
11:01:07 AM David Ramba, Building Code Administrators & Inspectors
11:01:37 AM Questions on SB 860?
11:01:44 AM Senator Lee closes on SB 860
11:01:52 AM Roll call on SB 860
11:02:13 AM SB 860 is reported favorably
11:02:22 AM Senator Lee resumes the chair
11:02:58 AM Senator Clemens moves we adjourn
11:03:03 AM Meeting adjourned