

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1593
SPONSOR(S): Ford and others
TIED BILLS:

Hurricane-relief Funding
IDEN./SIM. BILLS: SB 2594

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Jobs & Entrepreneurship Council</u>	<u>11 Y, 0 N, As CS</u>	<u>Cater</u>	<u>Thorn</u>
2) <u>Policy & Budget Council</u>	<u>(W/D)</u>	<u></u>	<u></u>
3) <u></u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
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SUMMARY ANALYSIS

CS/HB 1593 creates s. 252.37(5)(b)2, F.S., providing an extension until August 1, 2007, of the deadline for local governments to apply for a waiver of a local match for disaster funds related to Hurricanes Charley, Frances, Ivan and Jeanne. The Executive Office of the Governor may approve a waiver of all or a portion of the required local match for public assistance projects for local governments if the Executive Office of the Governor determines that such a local match requirement cannot be provided, or that doing so would impose a documented hardship on the local government, and if the local government applies for the waiver by August 1, 2007.

The bill may have an indeterminate negative fiscal impact on state government and may have an indeterminate positive fiscal impact on local governments.

This act shall take effect upon becoming law, and its provisions expire on July 1, 2008.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Background

During 2004, four hurricanes and a tropical storm¹ struck Florida and caused a significant amount of damage. On October 8, 2004, then Governor Jeb Bush issued Executive Order 04-229, related to the federal funds provided for disaster relief and emergency assistance.² The Executive Order directed that the nonfederal share of total eligible costs for public assistance under the federal Stafford Act be divided equally between the state and the affected local governments eligible for public assistance.³ The Executive Order also provided:

“[T]he Executive Office of the Governor may approve a waiver of all or a portion of the local match, subject to legislative notice and review under section 216.177, Florida Statutes, if it is determined that such a match cannot be provided or that doing so would effect a documented hardship on the local entity, provided that the local government applies for the waiver by no later than September 24, 2006.”

The Executive Order went into effect on October 8, 2004, and was scheduled to expire on October 8, 2008, unless extended.

In response to the 2004 hurricane season, the Legislature held a special session from December 13 through December 16, 2004. During this special session, the Legislature passed HB 19-A relating to hurricane-relief funding. This bill was approved by the Governor on December 21, 2004, and is codified in ch. 2004-482, L.O.F. HB 19-A created s. 252.37(5)(b), F.S., providing:

The Executive Office of the Governor may approve a waiver, subject to the requirement for legislative notice and review under s. 216.177, of all or a portion of the required match for public assistance projects for local governments if the Executive Office of the Governor determines that such a match requirement cannot be provided, or that doing so would impose a documented hardship on the local government, and if the local government applies for the waiver within the first *18 months* after the disaster is declared.

While HB 19-A set the deadline for the time to apply for a waiver to be 18 months from the date a disaster is declared, it did not repeal Executive Order 04-229, which set a deadline of September 24, 2006. For the 2004 hurricanes, the 18 month deadline was in February or March 2006.

¹ These storms were specifically Tropical Storm Bonnie on August 12, Hurricane Charley on August 13, Hurricane Frances on September 5, Hurricane Ivan on September 16, and Hurricane Jeanne on September 25.

² For the 2004 hurricanes, the President of the United States authorized federal funds for public assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. s. 5121.

³ Under the federal public assistance program, the federal government provides not less than 75 percent of the eligible costs for emergency measures and permanent restoration. The state determines how the non-federal share (up to 25 percent) is split with the applicants. These applicants include both public and private entities.

Four local governments were denied waivers of the local match due to the untimely receipt of their applications⁴ under the statutory deadline; although the filings would have been deemed timely under the deadline in the Executive Order.

Proposed Changes

CS/HB 1593 creates s. 252.37(5)(b)2, F.S., providing an extension until August 1, 2007, of the deadline for local governments to apply for a waiver of a local match for disaster funds related to Hurricanes Charley, Frances, Ivan and Jeanne. The Executive Office of the Governor may approve a waiver of all or a portion of the required local match for public assistance projects for local governments if the Executive Office of the Governor determines that such a local match requirement cannot be provided, or the doing so would impose a documented hardship on the local government, and if the local government applies for the waiver by August 1, 2007. This subparagraph takes effect upon becoming law and expires on July 1, 2008.

This act shall take effect upon becoming law.

C. SECTION DIRECTORY:

Section 1 Creates s. 252.37(5)(b)2, F.S., providing an extension of time for certain local governments to apply for a waiver of the required local match for public assistance projects related to the 2004 hurricanes.

Section 2 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

Indeterminate. The bill allows any local government to apply for a waiver of the local match for disaster funds related to the 2004 hurricanes. It is unknown how many local governments will apply for the waiver of the amounts of their respective local matches. It is also unknown how many of the local governments that apply for the waiver would actually qualify.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Indeterminate. The bill allows any local government to apply for a waiver of the local match for disaster funds related to the 2004 hurricanes. It is unknown how many local governments will apply for the waiver of the amounts of their respective local matches. It is also unknown how many of the local governments that apply for the waiver would actually qualify.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

⁴ The four local governments that were denied waivers were the City of Arcadia, the City of Gulf Breeze, Highlands County, and St. Lucie County.

None

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: required the municipalities or counties to spend funds or take action requiring the expenditure of funds, reduce the authority that cities or counties have to raise revenues in the aggregate, or reduce the percentage of state taxes with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

D. STATEMENT OF THE SPONSOR

No Statement Submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On April 12, 2007, the Jobs & Entrepreneurship Council adopted a strike-all amendment, creating a council substitute. This amendment conforms the language in this bill to the language contained in section 20 of the implementing bill to the General Appropriations Act.