The Florida Senate BILL ANALYSIS AND FISCAL IMPACT STATEMENT

	Prepa	red By: The Professional Staf	f of the Committee	on Community Affairs
BILL:	SB 712			
INTRODUCER:	Senator Grall			
SUBJECT:	Construc	tion Regulations		
DATE:	March 28	8, 2025 REVISED:		
ANALYST		STAFF DIRECTOR	REFERENCE	ACTION
1. Hackett		Fleming	CA	Pre-meeting
2.			AEG	
3.			RC	

I. Summary:

SB 712 contains a variety of provisions related to construction and development. The bill:

- Preempts local governments from prohibiting property owners from installing synthetic turf on their property.
- Requires local governments to approve or deny change orders from their contractors within 30 days.
- Prohibits the state and political subdivisions from penalizing large volume construction bidders or rewarding small volume bidders in the bidding process for public works projects.
- Prohibits local building departments from requiring copies of contracts and associated documents in order to apply for or receive a building permit.

The bill takes effect July 1, 2025.

II. Present Situation:

Synthetic Turf

Synthetic turf, also known as "artificial grass" is a surface that closely replicates the look and feel of natural grass. Synthetic turf is a type of landscaping that eliminates the potentially unpredictable growth of natural grass.¹ Current law prohibits homeowners' associations from restricting property owners or their tenants from installing, displaying, or storing synthetic turf that is not visible from the parcel's frontage or an adjacent parcel.² However, there is no law restricting local governments from regulating synthetic turf.

¹ Kevin Sullivan, *Artificial Turf 101: A Comprehensive Guide to Synthetic Grass*, Turf Network Directory & Information Hub, available at <u>https://turfnetwork.org/artificial-turf-101/</u> (last visited Mar. 26, 2025).

² Section 720.3045, F.S.

Home Rule Authority

The Florida Constitution grants local governments broad home rule authority. Non-charter county governments may exercise those powers of self-government that are provided by general or special law.³ Counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors.⁴ Municipalities have governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform municipal functions and provide municipal services, and exercise any power for municipal purposes except when expressly prohibited by law.⁵

Preemption

Preemption refers to the principle that a federal or state statute can supersede or supplant state or local law that stands as an obstacle to accomplishing the full purposes and objectives of the overriding federal or state law.⁶

Where state preemption applies, a local government may not exercise authority in that area.⁷ Whether a local government ordinance or other measure violates preemption is ultimately decided by a court. If a local government improperly enacts an ordinance or other measure on a matter preempted to the state, a person may challenge the ordinance by filing a lawsuit. A court ruling against the local government may declare the preempted ordinance void.⁸

Prompt Payments for Public Construction Contracts

Contracts between local governments and private contractors for construction of public projects are subject to prompt payment requirements. The Local Government Prompt Payment Act⁹ provides for timely payment by local governmental entities¹⁰ to construction contractors.¹¹ The collection of statutes provides timelines for payment, schedules for interest on late payments, and dispute resolution processes.¹²

Change Orders

A "change order" is an amendment to a construction contract that changes the contractor's scope of work. Most change orders modify the work required by the contract or adjust the amount of time the contractor has to complete the work, or both.¹³

³ Art. VIII, s. 1(f), Fla. Const.

⁴ Art. VIII, s. 1(g), Fla. Const.

⁵ Art. VIII, s. 2(b); *see also* Section 166.021(1), F.S.

⁶ Preemption Definition, Black's Law Dictionary (12th ed. 2024).

⁷ D'Agastino v. City of Miami, 220 So. 3d 410 (Fla. 2017); Judge James R. Wolf and Sarah Harley Bolinder, <u>The</u> <u>Effectiveness of Home Rule: A Preemptions and Conflict Analysis</u>, 83 Fla. B.J. 92 (June 2009).

⁸ See, e.g., *Nat'l Rifle Ass'n of Am., Inc. v. City of S. Miami*, 812 So. 2d 504 (Fla. 3d DCA 2002).

⁹ Part VII, Ch. 218, F.S.

¹⁰ A county or municipal government, school board, school district, authority, special taxing district, other political subdivision, or any office, board, bureau, commission, department, branch, division, or institution thereof. Section 218.72(5), F.S.

¹¹ A contractor is one who contracts directly with a local government to provide construction services. Section 218.72(3), F.S. ¹² Section 218.71, F.S.

¹³ Luke J. Farley, Sr., *Construction 101: The Basics of Change Orders*, American Bar Association (October 8, 2018) <u>https://www.americanbar.org/groups/construction_industry/publications/under_construction/2018/fall/construction-101/</u> (last visited Mar. 26, 2025).

Competitive Solicitation of Construction Services

Current law specifies construction services procurement procedures for public property and public owned buildings.¹⁴ The Department of Management Services (DMS) is responsible for establishing by rule procedures to:¹⁵

- Determine the qualifications and responsibility of potential bidders prior to advertising for and receiving bids for building construction contracts.¹⁶
- Award each state agency construction project to the lowest qualified bidder.¹⁷
- Govern negotiations for construction contracts and contract modifications when such negotiations are determined to be in the best interest of the state.¹⁸
- Enter into performance-based contracts for the development of public facilities when those contracts are determined to be in the best interest of the state.¹⁹

State contracts for construction projects that are projected to cost in excess of \$200,000 must be competitively bid.²⁰ A county, municipality, special district, or other political subdivision seeking to construct or improve a public building must competitively bid the project if the estimated cost is in excess of \$300,000.²¹

Prohibited Local Government Preferences in Contracts for Construction Services

In a competitive solicitation²² for construction services that is paid for with state-appropriated funds, a local government may not use a local ordinance or regulation that provides a preference based upon a contractor, subcontractor, or material supplier or carrier:²³

- Maintaining an office or place of business within a particular local jurisdiction;
- Hiring employees or subcontractors from within a particular local jurisdiction; or
- Prior payment of local taxes, assessments, or duties within a particular local jurisdiction.

A local government that will use state-appropriated funds to pay for construction services must disclose in the solicitation document that any of the aforementioned preferences will be prohibited.²⁴

Public Works Projects

A public works project is an activity that is paid for with any state-appropriated funds and that consists of the construction, maintenance, repair, renovation, remodeling, or improvement of a

²³ Section 255.0991(2), F.S.

¹⁴ See ch. 255, F.S.

¹⁵ Section 255.29, F.S.

¹⁶ Rules 60D-5.004 and F.A.C.

¹⁷ Rule 60D-5.007, F.A.C.

¹⁸ Rule 60D-5.008, F.A.C.

¹⁹ Rule 60D-5.0082, F.A.C.

²⁰ See s. 255.0525, F.S.; see also Rules 60D-5.002 and 60D-5.0073, F.A.C.

²¹ Section 255.20(1), F.S. For electrical work, local governments must competitively bid projects estimated to cost over \$75,000.

²² "Competitive solicitation" means an invitation to bid, a request for proposals, or an invitation to negotiate. Section 255.248, F.S.

²⁴ Section 255.0991(3), F.S.

building, road, street, sewer, storm drain, water system, site development, irrigation system, reclamation project, gas or electrical distribution system, gas or electrical substation, or other facility, project, or portion thereof owned in whole or in part by any political subdivision.²⁵

Prohibited Local Government Preferences in Public Works Projects

Except as required by federal or state law, the state or any political subdivision²⁶ that contracts for a public works project may not:²⁷

- Prevent a certified, licensed, or registered contractor, subcontractor, or material supplier or carrier, from participating in the bidding process based on the geographic location of the headquarters or offices of the party, unless the local government is the sole source of funding for the project;
- Require a contractor, subcontractor, or material supplier or carrier engaged in the project to:
 - Pay employees a predetermined amount of wages or prescribe any wage rate;
 - Provide employees a specified type, amount, or rate of employee benefits;
 - Control, limit, or expand staffing; or
 - Recruit, train, or hire employees from a designated, restricted, or single source.
- Prohibit any contractor, subcontractor, or material supplier or carrier from submitting a bid on the project if such individual is able to perform the work described and is qualified, licensed, or certified as required by state law.

Enforcement of the Florida Building Code: Permits

It is the intent of the Legislature that local governments have the power to inspect all buildings, structures, and facilities within their jurisdictions in protection of the public's health, safety, and welfare.²⁸ Authorized state and local government agencies enforce the Florida Building Code and issue building permits.²⁹

A building permit is an official document or certificate issued by the local building official that authorizes performance of a specific activity. It is unlawful for a person, firm, or corporation to construct, erect, alter, repair, secure, or demolish any building without first obtaining a permit from the local enforcing agency upon the payment of reasonable fees as set forth in a schedule of fees adopted by the enforcing agency.³⁰ A local building department or enforcement agency must post each type of building permit application on its website.³¹ Each application must be inscribed with the date of application and the Florida Building Code in effect as of that date.³²

²⁵ Section 255.0992(1)(b), F.S.

 $^{^{26}}$ "Political subdivision" means a separate agency or unit of local government created or established by law or ordinance and the officers thereof. The term includes, but is not limited to, a county; a city, town, or other municipality; or a department, commission, authority, school district, taxing district, water management district, board, public corporation, institution of higher education, or other public agency or body thereof authorized to expend public funds for construction, maintenance, repair, or improvement of public works. *See* s. 255.0992(1)(a), F.S.

²⁷ Section 255.0992, F.S.

²⁸ Section 553.72(2), F.S.

²⁹ See ss. 125.01(1)(bb), 125.56(1), 553.72(3), and 553.80(1) F.S.

³⁰ See ss. 125.56(4)(a) and 553.79(1), F.S. Other entities may, by resolution or regulation, be directed to issue permits.

³¹ Section 553.79(1)(b), F.S.

³² Section 105.3, 2023 Florida Building Code.

A local government may not require a contract between a builder and an owner for the issuance of a building permit, or as a requirement for the submission of a building permit application.³³

III. Effect of Proposed Changes:

Section 1 creates s. 125.572, F.S., to prohibit local governments from adopting or enforcing any ordinance, resolution, order, rule, or policy that prohibits, or is used to prohibit, a property owner from installing synthetic turf on his or her land.

The section also prohibits a local government from adopting or enforcing any ordinance, resolution, order, rule, or policy that **regulates** synthetic turf installed in single-family residential areas that are one acre or less in size.

"Synthetic turf" is defined to mean "a manufactured product that resembles natural grass and is used as a surface for landscaping and recreational areas."

The bill authorizes the Department of Environmental Protection to adopt rules to implement the prohibitions on local government synthetic turf regulations.

Section 2 creates s. 218.755, F.S., to provide that if a local government receives a price quote for a change order from its contractor, which meets all statutory and contractual requirements, the local government must provide written notice to the contractor approving or denying the price quote within 30 days.

If a local government denies the price quote, the written notice must specify the alleged deficiencies in the quote and list the actions necessary to remedy the deficiencies. If a local government fails to provide such information in the written denial notice then it is liable to the contractor for any additional labor, staffing, materials, supplies, equipment, and overhead associated with the change order.

A contract between a local government and a contractor may not alter these provisions.

Section 3 amends s. 255.0992, F.S., to provide that the state or any political subdivision which contracts for public works may not penalize a bidder for performing a larger volume of construction work for the state or political subdivision, or reward a bidder for performing a smaller volume of construction work for the state or political subdivision.

Section 4 amends s. 553.79, F.S., to provide that a local enforcement agency may not require a copy of a contract between a builder and an owner or any ancillary documents such as letters of intent as a requirement to apply for or receive a building permit.

The bill takes effect July 1, 2025.

³³ Section 553.79(1)(f), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Requiring local governments to process change orders within 30 days may lead to a decrease in construction time.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 255.0992 and 553.79.

This bill creates the following sections of the Florida Statutes: 125.572 and 218.755.

IX. **Additional Information:**

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

None.

Β. Amendments:

None.

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