



To: Interested Parties

From: Campaign to Defend Local Solutions

Date: March 15, 2017

Re: HB 17, SB 1158, and true cost of preemption

Conservatives and liberals alike should agree that government closest to the people governs them best. Florida legislators should keep that in mind when considering CS/HB 17 and SB 1158, sweeping preemption bills that threaten local control and local voices.

CS/HB 17 and SB 1158 prohibit local governments from adopting new regulatory ordinances affecting businesses and professions, except for those expressly authorized by general law. CS/HB 17 would sunset by 2020 hundreds, potentially thousands of municipal laws passed prior to 2017. These overly broad bills will paralyze locally elected city and county governments so that, in the [words](#) of one expert, “they won’t be able to do anything.”

Proponents of these bills will argue that preempting local ordinances promotes economic development by eliminating regulations and ensuring a level playing field for business. The reality is far more complicated. CS/HB 17 and SB 1158 would create a less competitive workforce by driving away talent. Consider just a few issue areas.

Consumer Lending Protections

In the early 2000s, state lawmakers created strong consumer protections for the title loan industry. They failed to extend similar protections to curb excessively high payday loan rates.

As a result, payday lenders in Florida have charged consumers exorbitant interest rates — **287%, on average, in 2015**. They have also collected massive fees on these loans (\$311 million in 2015). In fact, payday lenders collected \$2.5 billion in loan fees between 2005 and 2015 — excessive fees taken directly from Florida’s low- and moderate-income communities, while their local officials were powerless to act.

Conversely, in El Paso and Amarillo, Texas, where local governments were able to pass ordinances aimed at preventing these predatory lending tactics, they have seen high payday loan fees drop to 26% in Amarillo, and just 6% in El Paso.

Practical, mainstream local ordinances protect consumers from unscrupulous business practices that siphon income from local economies, while still allowing for robust business opportunities in the subprime lending sector.

Wage Theft Protections

The ability of local communities to attract better talent for good jobs with higher wages and wage protections is crucial to local economies. But CS/HB 17 and SB 1158 would strip away the right of Florida communities to ensure reasonable wages that get paid.

Many cities and counties, such as Miami-Dade and Osceola Counties, have enacted wage theft ordinances that protect workers from this common practice. Far from an isolated problem, workers report having wages withheld or stolen all too frequently. A few examples of wage theft ordinances include:

- In Miami-Dade County, 2,631 wage theft claims were filed from 2010-2016, totaling \$7,467,002 in wages
- In Pinellas County, 122 claims were filed from 2016 through the first quarter of 2017, totaling \$376,349 in wages
- In the city of St. Petersburg, 142 claims were filed from 2015 through early 2017, with \$129,532 in wage theft settlements

The amount of back wages recovered for workers by Florida's local governments every year is significant — money that is infused back into local businesses. CS/HB 17 and SB 1158 will eliminate those protections and weaken local economies. This comes at a time [when the state has shown little interest](#) in pursuing wage theft claims.

Fracking

While common-sense fracking legislation is being considered by the Florida Legislature this session, local cities and counties have long listened to their residents' requests to prohibit hydraulic and acid fracturing within their communities.

3.2 million Floridians currently live in municipalities that have passed resolutions prohibiting fracking within their boundaries, from Fernandina Beach and Keystone Heights to Marianna and Punta Gorda. And **77% of Floridians** — 14.5 million people —

are represented by cities and counties that oppose pro-fracking regulation, according to ReThink Energy Florida.

CS/HB 17 and SB 1158 would wipe out local control over a potentially dangerous practice that could have disastrous consequences for Florida's drinking water and environment. A bipartisan consensus is emerging that follows the lead of our local communities.

Human Rights and Equality

Florida's state lawmakers certainly agree that discrimination has no place in our businesses, our government, or our communities. That's why 90 percent of Fortune 500 companies protect employees against discrimination based on sexual orientation.

Once again, Florida's cities and counties have led the way in protecting workers in their communities. Locally-passed human rights ordinances now cover more than **60% of Floridians in 41 cities and counties** across the state. In fact, Florida's local anti-discrimination ordinances cover more people than in 16 U.S. states and territories combined.

CS/HB 17 and SB 1158 would abolish local equality ordinances and send a message to local employees and businesses that discrimination is tolerated — that's not what Florida needs as we seek to attract good, high-paying jobs and a diverse workforce.

“No one will win’ if HB 17 becomes law”

As noted in [Florida Today on March 7](#), CS/HB 17 (as well as SB 1158) will waste taxpayer money, create confusion for businesses and residents, and is bad public policy.

Many areas of local law are not ‘expressly authorized’ including local noise regulations, adult entertainment and sexually-oriented businesses, height restrictions, and parking of commercial vehicles in residential areas. Even local ordinances that protect neighborhoods from excessive home-based business traffic and door-to-door solicitation would be erased.

SB 1158 believes local ordinances — like minimum wage and local hiring ordinances — have “an adverse impact on economic growth,” “business competitiveness,” “productivity,” and “innovation.” But the opposite is true. Studies, including 2016 [data](#) from Northwestern University, have shown that **worker productivity grows fastest when wages grow fastest**. American productivity was highest from 1928-1950 (3.2%

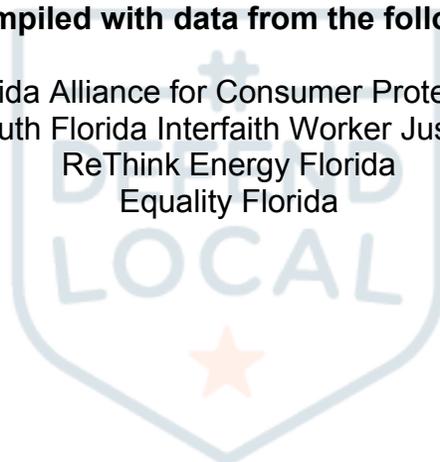
annual real growth, versus 1.6% average today), when hourly compensation was nearly 3.5 times higher than it is today.

People want to work in communities with good wages, respect for all, a clean environment, good corporate citizens, and smart local government. People in communities large and small pay taxes, vote in local elections, and expect to be represented. They deserve the same representation from their city and county leaders as from their state lawmakers. But ill-advised, heavy-handed preemption bills like CS/HB 17 and SB 1158 silence the voices of local communities in lieu of big government.

In the coming weeks, the Campaign to Defend Local Solutions will share additional information detailing the true cost of preemption to local businesses, working families, and Florida communities. We hope this will raise awareness of the real impact preemption bills like CS/HB 17 and SB 1158 will have on Floridians.

This report was compiled with data from the following organizations:

Florida Alliance for Consumer Protection
South Florida Interfaith Worker Justice
ReThink Energy Florida
Equality Florida



The Campaign to Defend Local Solutions is a non-partisan, grassroots coalition of individuals and organizations standing together to defend local solutions to local problems. Mayors, commissioners, councilmembers, and state legislators from 14 states across the nation and leading economic, environmental, labor, equality, immigration, energy, gun violence prevention, and civic organizations have partnered with the Campaign. Learn more at <http://www.DefendLocal.com>.