

By Senator Bradley

7-00473-15

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1                   A bill to be entitled  
2       An act relating to publicly funded retirement  
3       programs; amending s. 175.041, F.S.; revising  
4       applicability of the Marvin B. Clayton Firefighters  
5       Pension Trust Fund Act; providing that any  
6       municipality that provides fire protection services to  
7       a municipal services taxing unit under an interlocal  
8       agreement is eligible to receive property insurance  
9       premium taxes; amending s. 175.101, F.S.; authorizing  
10      a municipal services taxing unit that enters into an  
11      interlocal agreement for fire protection services with  
12      another municipality to impose an excise tax on  
13      property insurance premiums; amending s. 175.111,  
14      F.S.; requiring municipal services taxing units to  
15      provide the Division of Retirement of the Department  
16      of Management Services with a certified copy of the  
17      ordinance assessing and imposing certain taxes;  
18      amending ss. 175.122 and 175.351, F.S.; revising  
19      provisions relating to the limitation of disbursement  
20      to conform to changes made by the act; amending s.  
21      175.411, F.S.; authorizing a municipal services taxing  
22      unit, under certain conditions, to revoke its  
23      participation and cease to receive property insurance  
24      premium taxes; providing an effective date.

25  
26   Be It Enacted by the Legislature of the State of Florida:

27  
28       Section 1. Subsection (3) of section 175.041, Florida  
29   Statutes, is amended to read:

7-00473-15

2015216\_\_

30 175.041 Firefighters' Pension Trust Fund created;  
31 applicability of provisions.—For any municipality, special fire  
32 control district, chapter plan, local law municipality, local  
33 law special fire control district, or local law plan under this  
34 chapter:

35 (3) ~~The provisions of~~ This chapter applies ~~shall apply~~ only  
36 to municipalities organized and established pursuant to the laws  
37 of the state and to special fire control districts. This chapter  
38 does, and said provisions shall not apply to the unincorporated  
39 areas of any county or counties except with respect to municipal  
40 services taxing units established in unincorporated areas for  
41 the purpose of receiving fire protection service from a  
42 municipality and special fire control districts that include  
43 unincorporated areas. This chapter also does not, nor shall the  
44 provisions hereof apply to any governmental entity whose  
45 firefighters are eligible to participate in the Florida  
46 Retirement System.

47 (a) Special fire control districts that include, or consist  
48 exclusively of, unincorporated areas of one or more counties may  
49 levy and impose the tax and participate in the retirement  
50 programs enabled by this chapter.

51 (b) With respect to the distribution of premium taxes, a  
52 single consolidated government consisting of a former county and  
53 one or more municipalities, consolidated pursuant to s. 3 or s.  
54 6(e), Art. VIII of the State Constitution, is also eligible to  
55 participate under this chapter. The consolidated government  
56 shall notify the division when it has entered into an interlocal  
57 agreement to provide fire services to a municipality within its  
58 boundaries. The municipality may enact an ordinance levying the

7-00473-15

2015216\_\_

59 tax as provided in s. 175.101. Upon being provided copies of the  
60 interlocal agreement and the municipal ordinance levying the  
61 tax, the division may distribute any premium taxes reported for  
62 the municipality to the consolidated government as long as the  
63 interlocal agreement is in effect.

64 (c) Any municipality that has entered into an interlocal  
65 agreement to provide fire protection services to any other  
66 incorporated municipality or a municipal services taxing unit in  
67 an unincorporated area, in its entirety, for a period of 12  
68 months or more may be eligible to receive the premium taxes  
69 reported for such other municipality or municipal services  
70 taxing unit. In order to be eligible for such premium taxes, the  
71 municipality providing the fire services must notify the  
72 division that it has entered into an interlocal agreement with  
73 another municipality or a county on behalf of a municipal  
74 services taxing unit. The municipality receiving the fire  
75 services may enact an ordinance levying the tax as provided in  
76 s. 175.101. Upon being provided copies of the interlocal  
77 agreement and the municipal ordinance levying the tax, the  
78 division may distribute any premium taxes reported for the  
79 municipality or municipal services taxing unit receiving the  
80 fire services to the participating municipality providing the  
81 fire services as long as the interlocal agreement is in effect.

82 Section 2. Subsections (1) and (3) of section 175.101,  
83 Florida Statutes, are amended to read:

84 175.101 State excise tax on property insurance premiums  
85 authorized; procedure.—For any municipality, special fire  
86 control district, chapter plan, local law municipality, local  
87 law special fire control district, or local law plan under this

7-00473-15

2015216\_\_

88 chapter:

89 (1) Each municipality, ~~or~~ special fire control district, or  
90 municipal services taxing unit in this state described and  
91 classified in s. 175.041, having a lawfully established  
92 firefighters' pension trust fund or municipal fund or special  
93 fire control district fund, by whatever name known, providing  
94 pension benefits to firefighters as provided under this chapter,  
95 or receiving fire protection services from a municipality  
96 participating under this chapter, may assess and impose on every  
97 insurance company, corporation, or other insurer now engaged in  
98 or carrying on, or who shall hereinafter engage in or carry on,  
99 the business of property insurance as shown by the records of  
100 the Office of Insurance Regulation of the Financial Services  
101 Commission, an excise tax in addition to any lawful license or  
102 excise tax now levied by each of the municipalities, ~~or~~ special  
103 fire control districts, or municipal services taxing units,  
104 respectively, amounting to 1.85 percent of the gross amount of  
105 receipts of premiums from policyholders on all premiums  
106 collected on property insurance policies covering property  
107 within the corporate limits of such municipalities or within the  
108 legally defined boundaries of special fire control districts or  
109 municipal services taxing units, respectively. Whenever the  
110 boundaries of a special fire control district that has lawfully  
111 established a firefighters' pension trust fund encompass a  
112 portion of the corporate territory of a municipality that has  
113 also lawfully established a firefighters' pension trust fund, or  
114 a municipal services taxing unit receiving fire protection  
115 services from a municipality participating under this chapter,  
116 that portion of the tax receipts attributable to insurance

7-00473-15

2015216\_\_

117 policies covering property situated both within the  
118 municipality, or municipal services taxing unit, and the special  
119 fire control district shall be given to the fire service  
120 provider. For the purpose of this section, the boundaries of a  
121 special fire control district include an area that has been  
122 annexed until the completion of the 4-year period provided for  
123 in s. 171.093(4), or other agreed-upon extension, or if a  
124 special fire control district or municipal services taxing unit  
125 is providing services under an interlocal agreement executed in  
126 accordance with s. 171.093(3). The agent shall identify the fire  
127 service provider on the property owner's application for  
128 insurance. Remaining revenues collected pursuant to this chapter  
129 shall be distributed to the municipality, ~~or~~ special fire  
130 control district, or municipal services taxing unit according to  
131 the location of the insured property.

132 (3) This excise tax shall be payable annually on March 1 of  
133 each year after the passage of an ordinance, in the case of a  
134 municipality, or resolution, in the case of a special fire  
135 control district or municipal services taxing unit, assessing  
136 and imposing the tax authorized by this section. Installments of  
137 taxes shall be paid according to the provision of s.  
138 624.5092(2)(a), (b), and (c).

139  
140 This section also applies to any municipality consisting of a  
141 single consolidated government which is made up of a former  
142 county and one or more municipalities, consolidated pursuant to  
143 the authority in s. 3 or s. 6(e), Art. VIII of the State  
144 Constitution, and to property insurance policies covering  
145 property within the boundaries of the consolidated government,

7-00473-15

2015216\_\_

146 regardless of whether the properties are located within one or  
147 more separately incorporated areas within the consolidated  
148 government, provided the properties are being provided fire  
149 protection services by the consolidated government. This section  
150 also applies to any municipality, as provided in s.  
151 175.041(3)(c), which has entered into an interlocal agreement to  
152 receive fire protection services from another municipality  
153 participating under this chapter. The excise tax may be levied  
154 on all premiums collected on property insurance policies  
155 covering property located within the corporate limits of the  
156 municipality receiving the fire protection services, but will be  
157 available for distribution to the municipality providing the  
158 fire protection services.

159 Section 3. Section 175.111, Florida Statutes, is amended to  
160 read:

161 175.111 Certified copy of ordinance or resolution filed;  
162 insurance companies' annual report of premiums; duplicate files;  
163 book of accounts.—For any municipality, municipal services  
164 taxing unit, special fire control district, chapter plan, local  
165 law municipality, local law special fire control district, or  
166 local law plan under this chapter, whenever any municipality  
167 passes an ordinance or whenever any special fire control  
168 district passes a resolution establishing a chapter plan or  
169 local law plan assessing and imposing the taxes authorized in s.  
170 175.101, a certified copy of such ordinance or resolution shall  
171 be deposited with the division. Thereafter every insurance  
172 company, association, corporation, or other insurer carrying on  
173 the business of property insurance on real or personal property,  
174 on or before the succeeding March 1 after date of the passage of

7-00473-15

2015216\_\_

175 the ordinance or resolution, shall report fully in writing and  
176 under oath to the division and the Department of Revenue a just  
177 and true account of all premiums by such insurer received for  
178 property insurance policies covering or insuring any real or  
179 personal property located within the corporate limits of each  
180 such municipality, municipal services taxing unit, or special  
181 fire control district during the period of time elapsing between  
182 the date of the passage of the ordinance or resolution and the  
183 end of the calendar year. The report shall include the code  
184 designation as prescribed by the division for each piece of  
185 insured property, real or personal, located within the corporate  
186 limits of each municipality and within the legally defined  
187 boundaries of each special fire control district and municipal  
188 services taxing unit. The aforesaid insurer shall annually  
189 thereafter, on March 1, file with the Department of Revenue a  
190 similar report covering the preceding year's premium receipts,  
191 and every such insurer at the same time of making such reports  
192 shall pay to the Department of Revenue the amount of the tax  
193 hereinbefore mentioned. Every insurer engaged in carrying on  
194 such insurance business in the state shall keep accurate books  
195 of accounts of all such business done by it within the corporate  
196 limits of each such municipality and within the legally defined  
197 boundaries of each such special fire control district and  
198 municipal services taxing unit, and in such manner as to be able  
199 to comply with the provisions of this chapter. Based on the  
200 insurers' reports of premium receipts, the division shall  
201 prepare a consolidated premium report and shall furnish to any  
202 municipality, municipal services taxing unit, or special fire  
203 control district requesting the same a copy of the relevant

7-00473-15

2015216\_\_

204 section of that report.

205 Section 4. Section 175.122, Florida Statutes, is amended to  
206 read:

207 175.122 Limitation of disbursement.—For any municipality,  
208 municipal services taxing unit, special fire control district,  
209 chapter plan, local law municipality, local law special fire  
210 control district, or local law plan under this chapter, any  
211 municipality, municipal services taxing unit, or special fire  
212 control district participating in the firefighters' pension  
213 trust fund pursuant to the provisions of this chapter, whether  
214 under a chapter plan or local law plan, shall be limited to  
215 receiving any moneys from such fund in excess of that produced  
216 by one-half of the excise tax, as provided for in s. 175.101;  
217 however, any such municipality, municipal services taxing unit,  
218 or special fire control district receiving less than 6 percent  
219 of its fire department payroll from such fund shall be entitled  
220 to receive from such fund the amount determined under s.  
221 175.121, in excess of one-half of the excise tax, not to exceed  
222 6 percent of its fire department payroll. Payroll amounts of  
223 members included in the Florida Retirement System shall not be  
224 included.

225 Section 5. Section 175.351, Florida Statutes, is amended to  
226 read:

227 175.351 Municipalities, municipal services taxing units,  
228 and special fire control districts having their own pension  
229 plans for firefighters.—For any municipality, municipal services  
230 taxing unit, special fire control district, local law  
231 municipality, local law special fire control district, or local  
232 law plan under this chapter, in order for municipalities,

7-00473-15

2015216\_\_

233 municipal services taxing units, and special fire control  
234 districts with their own pension plans for firefighters, or for  
235 firefighters and police officers if included, to participate in  
236 the distribution of the tax fund established pursuant to s.  
237 175.101, local law plans must meet the minimum benefits and  
238 minimum standards set forth in this chapter.

239 (1) If a municipality has a pension plan for firefighters,  
240 or a pension plan for firefighters and police officers if  
241 included, which in the opinion of the division meets the minimum  
242 benefits and minimum standards set forth in this chapter, the  
243 board of trustees of the pension plan, as approved by a majority  
244 of firefighters of the municipality, may:

245 (a) Place the income from the premium tax in s. 175.101 in  
246 such pension plan for the sole and exclusive use of its  
247 firefighters, or for firefighters and police officers if  
248 included, where it shall become an integral part of that pension  
249 plan and shall be used to pay extra benefits to the firefighters  
250 included in that pension plan; or

251 (b) Place the income from the premium tax in s. 175.101 in  
252 a separate supplemental plan to pay extra benefits to  
253 firefighters, or to firefighters and police officers if  
254 included, participating in such separate supplemental plan.

255 (2) The premium tax provided by this chapter shall in all  
256 cases be used in its entirety to provide extra benefits to  
257 firefighters, or to firefighters and police officers if  
258 included. However, local law plans in effect on October 1, 1998,  
259 must comply with the minimum benefit provisions of this chapter  
260 only to the extent that additional premium tax revenues become  
261 available to incrementally fund the cost of such compliance as

7-00473-15

2015216\_\_

262 provided in s. 175.162(2)(a). If a plan is in compliance with  
263 such minimum benefit provisions, as subsequent additional  
264 premium tax revenues become available, they must be used to  
265 provide extra benefits. Local law plans created by special act  
266 before May 27, 1939, are deemed to comply with this chapter. For  
267 the purpose of this chapter, the term:

268 (a) "Additional premium tax revenues" means revenues  
269 received by a municipality or special fire control district  
270 pursuant to s. 175.121 which exceed that amount received for  
271 calendar year 1997.

272 (b) "Extra benefits" means benefits in addition to or  
273 greater than those provided to general employees of the  
274 municipality and in addition to those in existence for  
275 firefighters on March 12, 1999.

276 (3) A retirement plan or amendment to a retirement plan may  
277 not be proposed for adoption unless the proposed plan or  
278 amendment contains an actuarial estimate of the costs involved.  
279 Such proposed plan or proposed plan change may not be adopted  
280 without the approval of the municipality, special fire control  
281 district, or, where permitted, the Legislature. Copies of the  
282 proposed plan or proposed plan change and the actuarial impact  
283 statement of the proposed plan or proposed plan change shall be  
284 furnished to the division before the last public hearing  
285 thereon. Such statement must also indicate whether the proposed  
286 plan or proposed plan change is in compliance with s. 14, Art. X  
287 of the State Constitution and those provisions of part VII of  
288 chapter 112 which are not expressly provided in this chapter.  
289 Notwithstanding any other provision, only those local law plans  
290 created by special act of legislation before May 27, 1939, are

7-00473-15

2015216\_\_

291 deemed to meet the minimum benefits and minimum standards only  
292 in this chapter.

293 (4) Notwithstanding any other provision, with respect to  
294 any supplemental plan municipality:

295 (a) A local law plan and a supplemental plan may continue  
296 to use their definition of compensation or salary in existence  
297 on March 12, 1999.

298 (b) Section 175.061(1)(b) does not apply, and a local law  
299 plan and a supplemental plan shall continue to be administered  
300 by a board or boards of trustees numbered, constituted, and  
301 selected as the board or boards were numbered, constituted, and  
302 selected on December 1, 2000.

303 (c) The election set forth in paragraph (1)(b) is deemed to  
304 have been made.

305 (5) The retirement plan setting forth the benefits and the  
306 trust agreement, if any, covering the duties and  
307 responsibilities of the trustees and the regulations of the  
308 investment of funds must be in writing, and copies made  
309 available to the participants and to the general public.

310 Section 6. Section 175.411, Florida Statutes, is amended to  
311 read:

312 175.411 Optional participation.—A municipality, municipal  
313 services taxing unit, or special fire control district may  
314 revoke its participation under this chapter by rescinding the  
315 legislative act, ordinance, or resolution which assesses and  
316 imposes the taxes authorized in s. 175.101, and by furnishing a  
317 certified copy of such legislative act, ordinance, or resolution  
318 to the division. Thereafter, the municipality, municipal  
319 services taxing unit, or special fire control district shall be

7-00473-15

2015216\_\_

320 prohibited from participating under this chapter, and shall not  
321 be eligible for future premium tax moneys. Premium tax moneys  
322 previously received shall continue to be used for the sole and  
323 exclusive benefit of firefighters, or firefighters and police  
324 officers where included, and no amendment, legislative act,  
325 ordinance, or resolution shall be adopted which shall have the  
326 effect of reducing the then-vested accrued benefits of the  
327 firefighters, retirees, or their beneficiaries. The  
328 municipality, municipal services taxing unit, or special fire  
329 control district shall continue to furnish an annual report to  
330 the division as provided in s. 175.261. If the municipality,  
331 municipal services taxing unit, or special fire control district  
332 subsequently terminates the defined benefit plan, they shall do  
333 so in compliance with the provisions of s. 175.361.

334 Section 7. This act shall take effect July 1, 2015.