

By the Committees on Appropriations; and Community Affairs; and
Senator Bradley

576-03806-15

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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 service 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 service 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 service 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 service 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:

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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 service taxing units established in unincorporated areas for the
41 purpose of receiving fire protection service from a municipality
42 and special fire control districts that include unincorporated
43 areas. This chapter also does not, nor shall the provisions
44 hereof apply to any governmental entity whose firefighters are
45 eligible to participate in the Florida Retirement System.

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

50 (b) With respect to the distribution of premium taxes, a
51 single consolidated government consisting of a former county and
52 one or more municipalities, consolidated pursuant to s. 3 or s.
53 6(e), Art. VIII of the State Constitution, is also eligible to
54 participate under this chapter. The consolidated government
55 shall notify the division when it has entered into an interlocal
56 agreement to provide fire services to a municipality within its
57 boundaries. The municipality may enact an ordinance levying the
58 tax as provided in s. 175.101. Upon being provided copies of the

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59 interlocal agreement and the municipal ordinance levying the
60 tax, the division may distribute any premium taxes reported for
61 the municipality to the consolidated government as long as the
62 interlocal agreement is in effect.

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

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88 chapter:

89 (1) Each municipality, municipal service taxing unit, or
90 special fire control district 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, municipal
103 service taxing units, or special fire control districts,
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 municipal service taxing units or
109 special fire control districts, 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 service taxing unit receiving fire protection
115 services from a municipality participating under this chapter,
116 that portion of the tax receipts attributable to insurance

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

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

138
139 This section also applies to any municipality consisting of a
140 single consolidated government which is made up of a former
141 county and one or more municipalities, consolidated pursuant to
142 the authority in s. 3 or s. 6(e), Art. VIII of the State
143 Constitution, and to property insurance policies covering
144 property within the boundaries of the consolidated government,
145 regardless of whether the properties are located within one or

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

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

160 175.111 Certified copy of ordinance or resolution filed;
161 insurance companies' annual report of premiums; duplicate files;
162 book of accounts.—For any municipality, municipal service taxing
163 unit, special fire control district, chapter plan, local law
164 municipality, local law special fire control district, or local
165 law plan under this chapter, whenever any municipality, or any
166 county on behalf of a municipal service taxing unit, passes an
167 ordinance or whenever any special fire control district passes a
168 resolution establishing a chapter plan or local law plan
169 assessing and imposing the taxes authorized in s. 175.101, a
170 certified copy of such ordinance or resolution shall be
171 deposited with the division. Thereafter every insurance company,
172 association, corporation, or other insurer carrying on the
173 business of property insurance on real or personal property, on
174 or before the succeeding March 1 after date of the passage of

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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 service 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 service 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 service 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 service taxing unit, or special fire
203 control district requesting the same a copy of the relevant

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

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

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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

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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 service taxing unit, or special fire control district may revoke
314 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 service
319 taxing unit, or special fire control district shall be

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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 service 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 service 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.