

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1331 Fire Control Districts and Firefighter Pensions

SPONSOR(S): Ways & Means Committee, Roach

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Public Management Subcommittee	15 Y, 0 N	Smith	Smith
2) Ways & Means Committee	18 Y, 0 N, As CS	Berg	Langston
3) State Affairs Committee			

SUMMARY ANALYSIS

The bill amends provisions of the Marvin B. Clayton firefighters Pension Trust Fund Act (Act) to expand the Act to cover municipalities or special fire control districts providing fire protection services to a Municipal Service Taxing Unit (MSTU) through an interlocal agreement. Currently, the Act only provides an incentive – access to insurance premium tax revenues – to municipalities and special fire control districts organized and established by law, and it does not apply to unincorporated areas of any county or counties. The bill expands the applicability of the Act to allow a municipality or special fire control district that provides fire protection services to an MSTU through an interlocal agreement to receive insurance premium taxes collected within the MSTU boundary, to provide pension benefits to the district's or municipality's firefighters.

The bill also amends the general powers of independent special fire control districts to allow them to provide fire control and rescue services outside the geographical boundaries of a district. A fire control district will be allowed to provide services outside of its district boundaries through an interlocal agreement with another governmental entity that shares powers in common with the district.

Although special districts occasionally provide services to other governmental entities outside of their geographic boundaries,¹ the Florida Supreme Court recently ruled that this practice is unauthorized by ch. 189, F.S., the Uniform Special District Accountability Act. In *Halifax Hospital Medical Center v. State*² (decided April 18, 2019), the court ruled that special districts only have the power to provide services and operate within the specific geographic boundaries established for a district in its charter. As contemplated in the court ruling, the bill provides statutory authority for independent special fire control districts to operate outside established geographic boundaries through interlocal agreements.

The Revenue Estimating Conference, on January 31, 2020, estimated that the bill would have a state General Revenue impact of -\$0.1 million in fiscal year 2020-2021 and -\$0.3 million annually thereafter and a local government revenue impact of \$0.1 million in fiscal year 2020-2021 and \$0.3 million annually thereafter.

¹ See Florida Auditor General, *Health Care District of Palm Beach* (Report No. 2019-011, August 2018), available at: https://flauditor.gov/pages/pdf_files/2019-011.pdf (last visited Jan. 28, 2020). In finding 4, the auditor general recommends that the district enter into cooperative agreements with other government authorities to provide services outside the district's boundaries, *id.* at 4.

² *Halifax Hosp. Med. Ctr. v. State*, 278 So. 3d 545 (Fla. 2019).

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Municipal Firefighters' Pension Trust Fund

Local firefighter pension plans are governed by Chapter 175, F.S., which is known as the Marvin B. Clayton Firefighters' Pension Trust Fund Act (Act). The Act declares a legitimate state purpose to provide a uniform retirement system for the benefit of firefighters.³ All municipal and special district firefighter retirement trust fund systems and plans must be managed, administered, operated, and funded to maximize the protection of firefighters' pension trust funds.⁴

Chapter 175, F.S., was originally enacted in 1939 to provide an incentive – access to premium tax revenues - to encourage cities to establish firefighter retirement plans. Special fire control districts became eligible to participate in 1993.

Participation in the trust fund is limited to incorporated municipalities and to special fire control districts. Single consolidated governments of a county and one or more municipalities are also allowed to participate in the trust fund. Currently, unincorporated areas of a county may not participate unless a special fire control district includes the unincorporated areas.

Pension Funding Sources

Four sources provide funding for these pension plans:

- Net proceeds from an excise tax levied by a city upon property and casualty insurance companies (known as the “premium tax”);
- Employee contributions;
- Other revenue sources; and
- Mandatory payments by the city of the normal cost of the plan.⁵

The premium tax is an excise tax of 1.85 percent imposed on the gross premiums of property insurance covering property within boundaries of the municipality or special fire control district.⁶ This tax is taken as a credit against the state insurance premium tax. The insurers pay the tax to the Department of Revenue (DOR), and the net proceeds are transferred to the appropriate fund at the Division of Retirement (division) in the Department of Management Services (DMS). In 2018, premium tax distributions to municipalities and special fire control districts from the Firefighters' Pension Trust Fund amounted to \$77.1 million.⁷

A municipality that has entered into a one-year or longer interlocal agreement to provide fire services to another incorporated municipality may receive its premium taxes.⁸ The municipality providing fire services must notify the division of the interlocal agreement. The division may then distribute any premium taxes reported for the other incorporated municipality to the municipality providing the fire services.

Counties Furnishing Municipal Services

³ Section 175.021(1), F.S.

⁴ *Id.*

⁵ Section 175.091(1), F.S.

⁶ Section 175.101(1), F.S.

⁷ Department of Management Services, *Municipal Police and Fire Plans*, available at

https://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/municipal_police_and_fire_plans (last visited 2/2/20).

⁸ Although, the criteria in s. 175.041(3)(c), F.S., must be met.

General law implements the constitutional provision authorizing a county furnishing municipal services to levy additional taxes within the limits fixed for municipal purposes via the establishment of Municipal Services Taxing Units (MSTU).⁹ The creation of a MSTU allows the county's governing body to place the burden of ad valorem taxes upon property in a geographic area less than countywide to fund a particular municipal-type service or services. The MSTU is used in a county budget to separate those ad valorem taxes levied within the taxing unit itself to ensure that the funds derived from the tax levy are used within the boundaries of the taxing unit for the contemplated services. If ad valorem taxes are levied to provide these municipal services, counties are authorized to levy up to ten mills.¹⁰

The MSTU may encompass the entire unincorporated area, a portion of the unincorporated area, or all or part of the boundaries of a municipality. However, the inclusion of municipal boundaries within the MSTU is subject to the consent by ordinance of the governing body of the affected municipality given either annually or for a term of years.¹¹

Firefighter's Supplemental Compensation Trust Fund

Every firefighter is entitled to supplemental compensation from the employing agency when specified circumstances are met.¹² The Firefighters' Supplemental Compensation Trust Fund, created under the Department of Revenue, provides the funds necessary for firefighters to receive supplemental compensation under Florida law.¹³ Supplemental compensation is provided to firefighters who pursue higher educational opportunities that directly relate to the improvement of the health, safety, and welfare of firefighters and those who firefighters protect.¹⁴ The Firefighters' Supplemental Compensation Trust Fund is funded by certain amounts appropriated from the Police and Firefighter's Premium Tax Trust Fund.¹⁵

The amount of supplemental compensation for a firefighter is determined as follows:

- Fifty dollars is paid monthly to a firefighter who receives an associate degree from a college if the degree is applicable to fire department duties; and
- One hundred and ten dollars is paid monthly to a firefighter who receives a bachelor's degree from a college or university, regardless of whether the firefighter earned an associate degree earlier if the bachelor's degree is applicable to fire department duties.¹⁶

Municipal Services Taxing Units

A Municipal Service Taxing Unit (MSTU) is a funding mechanism for community members to create, through approval of the Board of County Commissioners, a special taxing unit to make improvements to a community area or provide additional services based on community needs.¹⁷

The legislative and governing body of a county has the power to carry on the county government.¹⁸ This power includes the power to establish MSTUs for any part or all of the unincorporated areas of a county.¹⁹ The creation of an MSTU allows the county's governing body to place the burden of ad valorem taxes upon property in a geographic area less than countywide to fund a particular municipal-type service or services. The MSTU is used in a county budget to separate those ad valorem taxes levied within the taxing unit itself to ensure that the funds derived from the tax levy are used within the

⁹ Section 125.01(1)(q), F.S.

¹⁰ Section 200.071(3), F.S.

¹¹ Office of Economic and Demographic Research, *Local Government Financial Information Handbook* (2019).

¹² Section 633.422, F.S.

¹³ *Id.*

¹⁴ *Id.* at (1)

¹⁵ *Id.* at (3)

¹⁶ *Id.* at (2)

¹⁷ See Collier County, MSTU Information, available at: <https://www.colliercountyfl.gov/your-government/divisions-f-r/public-transit-neighborhood-enhancement/our-services/mstu-information> (last visited Feb. 3, 2020).

¹⁸ Section 125.01(1), F.S.

¹⁹ *Id.* at (q)

boundaries of the taxing unit for the contemplated services. If ad valorem taxes are levied to provide these municipal services, counties are authorized to levy up to 10 mills.²⁰

The MSTU may encompass the entire unincorporated area, a portion of the unincorporated area, or all or part of the boundaries of a municipality. However, the inclusion of municipal boundaries within the MSTU is subject to consent by ordinance of the governing body of the affected municipality given either annually or for a term of years.²¹

Special Districts

A “special district” is “a unit of local government created for a special purpose... operat[ing] within a limited geographic boundary and is created by general law, special act, local ordinance, or rule of the Governor and Cabinet.”²² Special districts are created to provide a wide variety of services, such as mosquito control,²³ beach facilities,²⁴ children’s services,²⁵ fire control and rescue,²⁶ or drainage control.²⁷

Special districts are classified as “dependent special districts” or “independent special districts.” For a special district to be classified as a dependent special district, the district must meet at least one of the following criteria:

- Membership of its governing body is identical to that of the governing body of a single county or a single municipality;
- All members of its governing body are appointed by the governing body of a single county or a single municipality;
- The members of its governing body are subject to removal at will by the governing body of a single county or single municipality, during their unexpired terms; or
- The district has a budget that requires approval or can be vetoed by the governing body of a single county or a single municipality.²⁸

Alternatively, an independent special district is any special district that does not meet the definition of a “dependent special district.”²⁹ Furthermore, any special district that includes territory in more than one county is an independent special district, unless the district lies entirely within the borders of a single municipality.³⁰

Excluding community development districts, the charter creating an independent special district must contain the following information:

- The purpose of the special district;
- The powers, functions, and duties of the special district relating to ad valorem taxes, bonds and other revenue-raising abilities, budget preparation and approval, liens and lien foreclosures, and the use of tax deeds and certificates for non-ad valorem assessments and contractual agreements;
- Method for establishing the district and amending the district charter;
- The membership, organization, compensation, and administrative duties of the governing board and its members;
- Applicable financial disclosure, noticing, and reporting requirements;
- Procedures and requirements for bond issues, if the special district will issue bonds;
- Election procedures and requirements;

²⁰ Section 200.071(3), F.S.

²¹ Section 125.01(1)(q), F.S.

²² Section 189.012(6), F.S.

²³ Section 388.021(1), F.S., (however, new independent mosquito control districts are prohibited, see s. 388.021(2), F.S.).

²⁴ See Section 189.011, F.S.

²⁵ Section 125.901(1), F.S.

²⁶ Section 191.002, F.S.

²⁷ Section 298.01, F.S.

²⁸ Section 189.012(2), F.S.

²⁹ Section 189.012(3), F.S.

³⁰ *Id.*

- Method for financing the district;
- Authorized millage rate, and methods for collecting non-ad valorem assessments, fees, or service charges;
- Planning requirements; and
- District boundaries.

Special districts do not possess “home rule” powers and may impose only those taxes, assessments, or fees authorized by special or general law. The special act creating an independent special district may provide for funding from a variety of sources while prohibiting others. For example, ad valorem tax authority is not mandatory for a special district.³¹

Special districts may enter into interlocal agreements with one or more other local governmental units, provided that the special district is authorized to operate in the geographic bounds of the other local government unit.³² Under such an agreement, the special district may exercise jointly with the other participating local governments, those powers, privileges, or authorities which they have in common, and each may exercise separately.³³

Independent Special Fire Control Districts

Chapter 191, F.S., the “Independent Special Fire Control District Act” (Fire Control Act or Act), establishes standards and procedures for the operation and governance of independent special fire control districts and provides greater uniformity in the financing authority, operations, and procedures for electing members of the governing boards of districts.³⁴ There are currently 64 fire control districts established by ch. 191, F.S., operating across Florida.³⁵

Unless otherwise exempted by special or general law, each district, whether created by special act, a general law of local application, or county ordinance, must comply with the Fire Control Act. The Act supersedes any special act or general law of local application containing the charter of a district, excluding provisions addressing district boundaries and geographical sub-districts for the election of members of the governing board.³⁶

The Fire Control Act prescribes procedures for the election, composition, and general administration of a district’s governing board, and contains a broad list of the district’s general powers to be exercised by a majority vote of the governing board.³⁷ The Act grants districts special powers related to facilities and duties, and are required to provide for fire suppression and prevention by establishing and maintaining fire stations and substations, and by acquiring and maintaining firefighting and fire protection equipment necessary to prevent or fight fires. All construction must comply with applicable state, regional, and local regulations, including applicable comprehensive plans and land development regulations.³⁸

A fire control district may levy ad valorem taxes up to 3.75 mills unless a greater millage rate is authorized by law, subject to a referendum as required by the Florida Constitution and the Fire Control Act. Districts may also be authorized to levy special assessments, user charges, and impact fees under the Fire Control Act.³⁹

³¹ FLA. CONST. Art. VII, s. 9(a),.

³² Sections 163.01(2) and (3)(b), F.S.

³³ Section 163.10(4), F.S.

³⁴ Section 191.002, F.S.

³⁵ See Florida Department of economic Opportunity, Official List of Special Districts Online, *available at:* <http://specialdistrictreports.floridajobs.org/webreports/criteria.aspx> (last visited Jan. 30, 2020).

³⁶ Section 191.004, F.S.

³⁷ Section 191.006, F.S.

³⁸ Section 191.008, F.S.

³⁹ Section 191.009, F.S.

Boundaries of a district may be modified, extended, or enlarged only upon approval or ratification by the Legislature.⁴⁰ New independent fire control districts may be created only by the Legislature under s. 189.031, F.S.

Fire control districts are authorized to cooperate or contract with other persons or entities, including other governmental agencies, as necessary, convenient, incidental, or proper in connection with providing effective mutual aid and furthering any power, duty, or the purpose authorized by the Fire Control Act.⁴¹ Additionally, the Act affords districts the right to issue usage charges for special emergency services, including firefighting occurring in or to structures outside the district, if called to render such emergency services.⁴²

Florida Interlocal Cooperation Act of 1969

The Florida Interlocal Cooperation Act provides local governmental units the right to enter into mutually advantageous agreements to provide services or facilities to other localities.⁴³ This section of the law allows public agencies of the state to exercise jointly with any other public agency of the state, of any other state, or the United States Government any power, privilege, or authority which such agencies share in common and which each might exercise separately.⁴⁴ To effectuate interlocal cooperation under this section, local governmental units jointly exercising power must form and execute a contract detailing the terms and conditions of the interlocal relationship.⁴⁵

Halifax Hospital Medical Center v. State, 278 So.3d 545 (Fla. 2019)

Created in 1925 as the Halifax Hospital District,⁴⁶ the Halifax Hospital Medical Center (commonly known as Halifax Health)⁴⁷ is an independent special district located in a portion of Volusia County.⁴⁸ As originally adopted, the charter for Halifax Hospital District authorized the establishment, construction, operation, and maintenance of hospitals as necessary for the use of the people in the district.⁴⁹ The 1925 enabling act and subsequent amendments⁵⁰ were recodified in 1979.⁵¹ Halifax Hospital Medical Center interpreted a change in the first sentence of the basic authorization section in the 1979 charter⁵² as allowing the district to provide services and open facilities outside the borders of the district.⁵³

⁴⁰ Section 191.014, F.S.

⁴¹ Section 191.006(13), F.S.

⁴² Section 191.009(3)(a), F.S.

⁴³ Section 163.01, F.S.

⁴⁴ *Id.* at (4)

⁴⁵ *Id.* at (5)

⁴⁶ Chapter 11272, Laws of Fla. (1925).

⁴⁷ See Halifax Health, "Our History," at <https://www.halifaxhealth.org> (last visited Jan. 30, 2020). The official name of the district in the current charter is "Halifax Hospital Medical Center" and is so referenced in this analysis.

⁴⁸ Chapter 2003-374, Laws of Fla.

⁴⁹ Chapter 11272, s. 5, Laws of Fla. (1925).

⁵⁰ Chapters 13489 & 13490, Laws of Fla. (1927); ch. 16037, Laws of Fla. (1933); ch. 17977, Laws of Fla. (1937); chapter 19097, Laws of Fla. (1939); chapters 21748 & 21749, Laws of Fla. (1943); chapters 22688 & 22689, Laws of Fla. (1945); chapters 26280, 26283, 26292, Laws of Fla. (1949); chapter 27944, Laws of Fla. (1951); chapters 29579 & 29580, Laws of Fla.; chapter 31333, Laws of Fla. (1955); chapters 57-1925, 59-1952, 59-1953, 59-1954, 61-2961, 61-2963, 61-2964, 63-2019, 65-2353, 65-2354, 65-2356, 67-2155, 67-2156, 72-710, 72-711, 72-712, 74-622, 77-661, 77-662, Laws of Fla.

⁵¹ Chapter 79-577, Laws of Fla.

⁵² Chapter 79-577, s. 5, Laws of Fla.

⁵³ See Amended Brief of Halifax Hospital Medical Center, 17-18, 20, *Halifax Hospital Medical Center v. State of Fla., et al.*, Case No. SC18-683 in the Florida Supreme Court (filed 6/19/2018) [herein Appellant's Initial Brief]; Reply Brief of Halifax Hospital Medical Center, 3-5, *Halifax Hospital Medical Center v. State of Fla., et al.*, Case No. SC18-683 in the Florida Supreme Court (filed 9/19/2018) [herein Appellant's Reply Brief]. At the time these arguments were made, the legal standard for reviewing an agency's determination of its operative law required the court to give deference to the agency's interpretation if further interpretation was necessary. On November 6, 2018, the voters of Florida approved proposed Amendment 6 to the Florida Constitution, creating art. V, s. 21, which prohibits a reviewing court from deferring to an agency's interpretation of law and requiring an original, or *de novo* review by the court. That amendment was effective on January 8, 2019. Art. XI, s. 5(e), Fla. Const. The Supreme Court found the laws at issue were unambiguous and could be applied by the Court without need for other rules of interpretation. *Halifax Hospital Medical Center v. State of Florida*, No. SC18-683 (Fla. Apr. 18, 2019), 4.

Applying this interpretation, the district established and operated extra-territorial facilities and services for several years.⁵⁴ The text on which the district relies was substantially unchanged when the 1979 charter and subsequent amending acts⁵⁵ were again recodified in 2003.⁵⁶ Each version of the charter for the Halifax Hospital Medical Center required the act to be liberally interpreted to achieve its stated purposes.⁵⁷

On November 6, 2017, Deltona and the Halifax district entered into an interlocal agreement for the district to construct and operate health facilities within the City.⁵⁸ To finance the development and completion of the Deltona hospital, on January 8, 2018, the Board of the Halifax district adopted a resolution to issue \$115 million in bonds using the district's authority.⁵⁹ Following the statutory procedure,⁶⁰ the district filed a complaint in the Circuit Court to validate the bonds.⁶¹ The Circuit Court found the district was not authorized to construct the Deltona hospital outside the geographical boundaries of the district, and accordingly refused to validate the proposed bond issue.⁶² On April 18, 2019, the Supreme Court affirmed the decision of the circuit court, holding that the district's enabling law and ch. 189, F.S., did not expressly authorize any operation outside the district boundaries.⁶³

Effect of Proposed Changes

The bill expands the applicability of ch. 175, F.S., the Marvin B. Clayton Firefighters Pension Trust Fund Act (Act), to provide that the Act applies to municipalities providing fire protection services to an MSTU through an interlocal agreement. The bill authorizes municipalities to receive insurance premium taxes collected within the boundaries of an MSTU to afford pension benefits to firefighters serving the area.

It conforms ch. 175, F.S., to authorize the levy and imposition of the insurance premium tax within an MSTU in the same manner as prescribed for municipalities and fire control districts. A municipality or special fire control district that enters into an interlocal agreement to provide fire protection services in an unincorporated area for a period of 12 months or more may be eligible to receive the insurance premium taxes reported to the MSTU. For the municipality or special fire control district to be eligible to receive the tax revenues, the county, on behalf of the MSTU, must enact an ordinance levying the insurance premium tax and the municipality or special fire control district must notify the Department of Management Services that the county and municipality have entered into the interlocal agreement.

The bill also permits the MSTU to revoke its participation; which would terminate eligibility for premium tax distributions.

The bill also amends s. 191.006, F.S., to expressly provide that independent special fire control districts have all powers and duties provided in ch. 189, F.S., (Uniform Special District Accountability Act), ch. 191, F.S., (Fire Control Act), and s. 163.01, F.S., (Florida Interlocal Cooperation Act), including the exercise of such powers within or without the independent special fire control district's boundary in cooperation with another governmental agency when such agency shares such powers in common with the district.

The bill provides an effective date of July 1, 2020.

⁵⁴ Appellant's Initial Brief, 8.

⁵⁵ Chapters 79-578, 84-539, 89-409, 91-352, Laws of Fla.

⁵⁶ Chapter 2003-374, Laws of Fla.

⁵⁷ Chapter 11272, s. 20, Laws of Fla. (1925); chapter 79-577, s. 15, Laws of Fla.; chapter 2003-374, s. 15 of s. 3, Laws of Fla.

⁵⁸ Appellant's Initial Brief, 10. See s. 163.01, F.S.

⁵⁹ Appellant's Initial Brief, 10. See chapter 2003-374, s. 8 of s. 3, Laws of Fla.

⁶⁰ Chapter 75, F.S.

⁶¹ *Halifax Hospital Medical Center v. State of Florida, et al.*, Case no. 2018 30059 CICI, in the 7th Judicial Circuit Court in and for Volusia County, Florida.

⁶² "Order on Motion for Final Judgment," Case no. 2018 30059 CICI (4/17/2018).

⁶³ *Halifax Hospital Medical Center v. State of Florida*, 278 So.3d 545, No. SC18-683 (Fla. Apr. 18, 2019).

B. SECTION DIRECTORY:

Section 1: Amends s. 175.041, F.S., revising applicability of the Firefighters' Pension Trust Fund; authorizing a municipality that provides fire protection services to a MSTU under an interlocal agreement to receive property insurance premium taxes; authorizing a county to enact an ordinance levying a tax on behalf of a MSTU receiving fire protection services.

Section 2: Amends s. 175.101, F.S., authorizing a MSTU that enters into an interlocal agreement for fire protection services with a municipality to impose an excise tax on property insurance premiums.

Section 3: Amends s. 175.111, F.S., requiring a MSTU to provide the Division of Retirement of the Department of Management Services with a certified copy of an ordinance assessing and imposing certain taxes.

Section 4: Amends s. 175.411, F.S., authorizing a MSTU to revoke its participation and cease to receive property insurance premium taxes under certain conditions.

Section 5: Amends s. 191.006, F.S., requiring an independent special fire district to have, and authorizing the board of such district to exercise by majority vote, specified powers.

Section 6: Provides an effective date of July 1, 2020.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference, on January 31, 2020, estimated that the bill would have a state General Revenue impact of -\$0.1 million in fiscal year 2020-2021 and -\$0.3 million annually thereafter.⁶⁴

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference, on January 31, 2020, estimated that the bill would have a local government revenue impact of \$0.1 million in fiscal year 2020-2021 and \$0.3 million annually thereafter.⁶⁵

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

⁶⁴ Revenue Estimating Conference, *Fire Control District Surtax, HB 1331* (adopted Jan. 31, 2020), available at: http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2020/_pdf/page326-328.pdf (last visited Feb. 13, 2020).

⁶⁵ Revenue Estimating Conference, *Fire Control District Surtax, HB 1331* (adopted Jan. 31, 2020), available at: http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2020/_pdf/page326-328.pdf (last visited Feb. 13, 2020).

The bill specifies that a municipality is entitled to premium tax distributions provided by chapter 175, F.S., for providing fire services to MSTUs. As a result, this bill will have a fiscal impact on state revenues because state premium taxes paid by an insurer to fund a municipal firefighter retirement plan are credited against the premium taxes paid to the state by the insurance company.⁶⁶

The bill will result in a positive fiscal impact on local governments because the bill provides that a municipality may collect premium tax revenues within the MSTU boundary receiving firefighter services if the consolidated government provides a municipal firefighter retirement plan, as provided for in chapter 175, F.S.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenue in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 19, 2020, the Ways and Means Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Removes unnecessary language relating to MSTUs establishing firefighter pension plans.
- Authorizes a special fire control district to enter into interlocal agreements with an MSTU to provide fire protection services and receive local insurance premium tax revenues to fund firefighter retirement benefits.

This analysis is written to the committee substitute as reported favorably by the Ways and Means Committee.