

STORAGE NAME: h1769.ca

DATE: April 7, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
COMMUNITY AFFAIRS
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 1769

RELATING TO: Retirement Fund & Firefighters' Fund

SPONSOR(S): Representative Wasserman Schultz

TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) ELECTION REFORM (PRC) YEAS 6 NAYS 0
 - (2) COMMUNITY AFFAIRS
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill provides an alternative method of modifying the City of Hollywood's Charter relating to the general employee and firefighter's pension plans.

This bill allows amendments to Articles X and XII of the City of Hollywood's Charter by one of two methods. Changes may be made by:

- ▶ A "majority plus one" vote of the City Commission and 50 percent plus one vote of the voting members of the respective retirement fund affected; or
- ▶ A majority vote of electors voting in a referendum election called for such purpose.

This bill has a positive fiscal impact.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

HB 1769 grants an additional process by which amendments to Articles X and XII of the City of Hollywood's Charter may be effectuated. Changes made pursuant to collective bargaining with respect to the affected funds may be made to the City's Charter without the need for costly referendum elections.

B. PRESENT SITUATION:

Section 166.031, F.S., provides two mechanisms for cities to amend all or part of their charter. The proposed amendment may be provided by city ordinance by the governing body of that city; or directly by the citizens through a petitioning process. In either case, the amendment must be passed by majority vote of the electorate in a referendum election. Charter amendments by special act are not required to be enacted by referendum.

Chapter 30836, L.O.F. (1955) creates the Charter of the City of Hollywood through special act. This Charter contains the authority to provide employee pension and retirement benefits.

The Hollywood Firemen's Pension Fund was set up under Chapter 63-1427, Laws of Florida, as amended by Chapter 89-429, Laws of Florida, approved by referendum, and contained in Article XII of the City of Hollywood's Charter. The plan is partially funded through premium tax collections under Chapter 175, F.S.

Recent decisions by the Public Employees Relations Commission have allowed changes to be made to pension and retirement plans through the collective bargaining process, irrespective of whether the plan is covered by home rule charter. Changes made to benefit plans through collective bargaining affect both bargaining and non-bargaining unit employees. Therefore, charter amendments are required to include non-bargaining unit employees when changes are made by collective bargaining.

C. EFFECT OF PROPOSED CHANGES:

This bill allows the City Commission to propose amendments to, or repeal of, sections of Article X and Article XII regarding the City's pension and retirement funds for city employees and firemen. This alternative process removes the need and expense of holding a referendum election for these focused issues.

Amendments to Articles X and XII can be accomplished by either:

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- ▶ A “majority plus one” vote of the City Commission and 50 percent plus one vote of the voting members of the respective retirement fund affected; or
- ▶ A majority vote of electors voting in a referendum election called for such purpose.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Adds section 10.07, of Article X, to the City of Hollywood’s Charter (Chapter 30836, L.O.F., 1955) to provide an alternative method by which amendments to, or repeal of, Article X may be effectuated.

Section 2. Adds section 12.23, of Article XII, to the City of Hollywood’s Charter to provide an alternative method by which amendments to, or repeal of, Article XII may be effectuated.

Section 3. Provides that the act takes effect upon becoming a law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN? January 26, 2000

WHERE? Sun-Sentinel

B. REFERENDUM(S) REQUIRED? Yes [] No [X]

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached [X] No []

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [X] No []

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. OTHER COMMENTS:

House Rule 44(a), provides: “If a committee determines that the substance of a local bill may be enacted into law by ordinance of a local governing body, that committee shall not report the bill to the Clerk. However, if a local governing body would be required to call a referendum to enact the substance of a local bill into law, the committee may report the local bill.” The City of Hollywood’s Charter does not provide a separate mechanism for amending the City’s Charter. Consequently, any amendment must be effected by referendum as provided in s. 166.031, F.S.

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The Economic Impact Statement indicates that this bill may save future referendum costs.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None

VI. SIGNATURES:

COMMITTEE ON ELECTION REFORM:

Prepared by:

R. Michael Paredes

Staff Director:

Dawn K. Roberts

AS REVISED BY THE COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Cindy M. Brown, J.D.

Staff Director:

Joan Highsmith-Smith