

STORAGE NAME: h1805a.go

DATE: April 24, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 1805

RELATING TO: City of Tampa, Hillsborough County (Firefighters & Police Officers Pension Fund)

SPONSOR(S): Representative Murman and others

TIED BILL(S):

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

- (1) GOVERNMENTAL OPERATIONS YEAS 6 NAYS 0
 - (2) COMMUNITY AFFAIRS
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

HB 1805 is a special act to facilitate compliance of benefits for firefighters' and police officers' pension plans to the "minimum standard and benefits" provisions required by Chapters 175 and 185, Florida Statutes, as amended by Chapter 99-1, Laws of Florida.

A "strike everything" amendment is traveling with the bill.

This bill shall become effective upon becoming a law.

STORAGE NAME: h1805a.go

DATE: April 24, 2000

PAGE 2

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" 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 type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" 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"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

City of Tampa Pension Fund for Firefighters and Police Officers

The pension plan for Tampa firefighters and police, known as the City Pension Fund for Firefighters and Police Officers (Fund) was created in 1941 by Chapter 21590, Laws of Florida, and further amended by Chapters 74-613, 92-231, 94-463, and 98-515, Laws of Florida.

Constitutional Provision/Public Retirement and Pensions

Article X, Section 14, Florida Constitution, provides that a governmental unit responsible for any retirement or pension system supported wholly or partially by public pension funds may not, after January 1, 1977, provide any increase in benefits to members or beneficiaries unless concurrent provisions for funding the increase in benefits are made on a sound actuarial basis.

Chapter 112, Florida Statutes

Part VII, chapter 112, Florida Statutes, was adopted by the Legislature to implement the provisions of Article X, Section 14, Florida Constitution. Part VII, chapter 112, Florida Statutes, also establishes minimum standards for operating and funding public employee retirement systems and plans.

Chapters 175 and 185, Florida Statutes

Chapters 175 and 185, F.S., were established to provide a uniform retirement system for municipal and special district firefighters' and police officers' pension plans. Plan funding is derived from four sources: Net proceeds from an excise tax levied by the city upon property and casualty insurance companies (known as the "premium tax"); employee contributions; other revenue sources; and mandatory payments by the city of any extra amount needed to keep the plan solvent. To qualify for premium tax dollars, plans must meet requirements found in these chapters. Responsibility for overseeing and monitoring these plans lies with the Division of Retirement, but day-to-day operational control rests with local boards of trustees.

STORAGE NAME: h1805a.go

DATE: April 24, 2000

PAGE 3

Unfortunately, many plans operating under the provisions of Chapters 175 and 185, F.S., were not applied uniformly throughout the various jurisdictions. Consequently, the Legislature modified these provision in 1999 to provide for uniform application of minimum standards and benefits to all plans receiving funding under these chapters. That bill also provided that compliance with minimum benefit requirements may be on an incremental basis as state premium taxes became available. This was done to fulfill the requirements of subsection (a) of Art. VII, Sec. 18, Florida Constitution, which provides that cities and counties are not bound by general laws requiring them to spend funds or to take an action which requires the expenditure of funds unless certain specified conditions are met. [See, Chapter 99-1, Laws of Florida].

Any pension plan not meeting the minimum requirements of Chapters 175 and 185, F.S., would lose funding unless additional premium tax revenues were unavailable to provide for additional benefits to bring the plan into compliance.

C. EFFECT OF PROPOSED CHANGES:

HB 1805 grants authority to the City of Tampa, with the concurrence of the applicable union, to enter into a supplemental contract with firefighter & police officers to provide for compliance with the new minimum standards and benefits regarding pension funds. Such increased benefits would be provided only if additional premium tax revenues are available in accordance with Chapters 175 and 185, F.S..

D. SECTION-BY-SECTION ANALYSIS:

See Section #C Effect of Proposed Changes.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? February 5, 2000

WHERE? St. Petersburg Times, St. Petersburg.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN? Not Applicable.

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

IV. COMMENTS:

STORAGE NAME: h1805a.go

DATE: April 24, 2000

PAGE 4

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

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 Tampa's pensions plans were created by special act and not provided for in the city charter. Consequently, any changes to the firefighters' and police officers' pension plans must be effected by a special act of the Legislature.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

A "strike everything" amendment was adopted by the Committee on Governmental Operations and is traveling with the bill. The amendment is technical in nature by clarifying the applicability of the bill with respect to all members of the pension plan irrespective of when they were employed by the City of Tampa and incorporates "by reference" the changes of this bill to all affected pension plan contracts.

VI. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Staff Director:

R. Michael Paredes

Russell J. Cyphers, Jr.