

By the Committee on Finance and Taxation; and Senator Pruitt

314-2264B-02

1                                   A bill to be entitled  
2           An act relating to firefighter and municipal  
3           police pensions; creating s. 175.1015, F.S.;  
4           authorizing the Department of Revenue to create  
5           and maintain a database for use by insurers;  
6           providing insurers with incentives for using  
7           the database; providing penalties for failure  
8           to use the database; requiring local  
9           governments to provide information to the  
10          department; appropriating funds to the  
11          department for the administration of the  
12          database; authorizing the department to adopt  
13          rules; creating s. 185.085, F.S.; authorizing  
14          the Department of Revenue to create and  
15          maintain a database for use by insurers;  
16          providing incentives to insurers for using the  
17          database and penalties for failure to use the  
18          database; requiring local governments to  
19          provide information to the department;  
20          appropriating funds to the department for the  
21          administration of the database; authorizing the  
22          department to adopt rules; providing for  
23          distribution of tax revenues through 2006;  
24          amending s. 175.032, F.S.; providing an  
25          extended time period for the recognition of  
26          supplemental firefighter pension plans;  
27          amending s. 175.351, F.S.; defining the term  
28          "extra benefits" with respect to pension plans  
29          for firefighters; providing an extended time  
30          period for the recognition of supplemental  
31          firefighter pension plans; amending s. 185.02,

1 F.S.; providing an extended time period for the  
2 recognition of supplemental municipal police  
3 officer pension plans; amending s. 185.35,  
4 F.S.; providing for the meaning of the term  
5 "extra benefits" with respect to pension plans  
6 for municipal police officers; providing an  
7 extended time period for the recognition of  
8 supplemental municipal police officer pension  
9 plans; providing an appropriation to the  
10 Department of Revenue; providing an effective  
11 date.

12  
13 Be It Enacted by the Legislature of the State of Florida:

14  
15 Section 1. Section 175.1015, Florida Statutes, is  
16 created to read:

17 175.1015 Determination of local premium tax situs.--

18 (1)(a) Any insurance company that is obligated to  
19 report and remit the excise tax on property insurance premiums  
20 imposed under s. 175.101 shall be held harmless from any  
21 liability for taxes, interest, or penalties that would  
22 otherwise be due solely as a result of an assignment of an  
23 insured property to an incorrect local taxing jurisdiction if  
24 the insurance company exercises due diligence in applying an  
25 electronic database provided by the Department of Revenue  
26 under subsection (2). Insurance companies that do not use the  
27 electronic database provided by the Department of Revenue or  
28 that do not exercise due diligence in applying the electronic  
29 database are subject to a 0.5-percent penalty on the portion  
30 of the premium pertaining to any insured risk that is  
31 improperly assigned, whether assigned to an improper local

1 taxing jurisdiction, not assigned to a local taxing  
2 jurisdiction when it should be assigned to a local taxing  
3 jurisdiction, or assigned to a local taxing jurisdiction when  
4 it should not be assigned to a local taxing jurisdiction.

5 (b) Any insurance company that is obligated to report  
6 and remit the excise tax on commercial property insurance  
7 premiums imposed under s. 175.101 and is unable, after due  
8 diligence, to assign an insured property to a specific local  
9 taxing jurisdiction for purposes of complying with paragraph

10 (a) shall remit the excise tax on commercial property  
11 insurance premiums using a methodology of apportionment in a  
12 manner consistent with the remittance for the 2001 calendar  
13 year.

14 (2)(a) The Department of Revenue shall, subject to  
15 legislative appropriation, create as soon as practical and  
16 feasible, and thereafter shall maintain, an electronic  
17 database that gives due and proper regard to any format that  
18 is approved by the American National Standards Institute's  
19 Accredited Standards Committee X12 and that designates for  
20 each street address and address range in the state, including  
21 any multiple postal street addresses applicable to one street  
22 location, the local taxing jurisdiction in which the street  
23 address and address range is located and the appropriate code  
24 for each such participating local taxing jurisdiction,  
25 identified by one nationwide standard numeric code. The  
26 nationwide standard numeric code must contain the same number  
27 of numeric digits, and each digit or combination of digits  
28 must refer to the same level of taxing jurisdiction throughout  
29 the United States and must be in a format similar to FIPS 55-3  
30 or other appropriate standard approved by the Federation of  
31 Tax Administrators and the Multistate Tax Commission. Each

1 address or address range must be provided in standard postal  
2 format, including the street number, street number range,  
3 street name, and zip code. Each year after the creation of the  
4 initial database, the Department of Revenue shall annually  
5 create and maintain a database for the current tax year. Each  
6 annual database must be calendar-year specific.

7 (b)1. Each participating local taxing jurisdiction  
8 shall furnish to the Department of Revenue all information  
9 needed to create the electronic database as soon as practical  
10 and feasible. The information furnished to the Department of  
11 Revenue must specify an effective date.

12 2. Each participating local taxing jurisdiction shall  
13 furnish to the Department of Revenue all information needed to  
14 create and update the current year's database, including  
15 changes in annexations, incorporations, and reorganizations  
16 and any other changes in jurisdictional boundaries, as well as  
17 changes in eligibility to participate in the excise tax  
18 imposed under this chapter. The information must specify an  
19 effective date and must be furnished to the Department of  
20 Revenue by July 1 of the current year.

21 3. The Department of Revenue shall create and update  
22 the current year's database in accordance with the information  
23 furnished by participating local taxing jurisdictions under  
24 subparagraph 1. or subparagraph 2., as appropriate. To the  
25 extent practicable, the Department of Revenue shall post each  
26 new annual database on a web site by September 1 of each year.  
27 Each participating local taxing jurisdiction shall have access  
28 to this web site and, within 30 days thereafter, shall provide  
29 any corrections to the Department of Revenue. The Department  
30 of Revenue shall finalize the current year's database and post  
31 it on a web site by November 1 of the tax year. If a dispute

1 in jurisdictional boundaries cannot be resolved so that  
2 changes in boundaries may be included, as appropriate, in the  
3 database by November 1, the changes may not be retroactively  
4 included in the current year's database and the boundaries  
5 will remain the same as in the previous year's database. The  
6 finalized database must be used in assigning policies and  
7 premiums to the proper local taxing jurisdiction for the  
8 insurance premium tax return due on the following March 1. The  
9 Department of Revenue shall furnish the annual database on  
10 magnetic or electronic media to any insurance company or  
11 vendor that requests the database for the sole purpose of  
12 assigning insurance premiums to the proper local taxing  
13 jurisdiction for the excise tax imposed under this chapter.  
14 Information contained in the electronic database is conclusive  
15 for purposes of this chapter. The electronic database is not  
16 an order, a rule, or a policy of general applicability.

17 4. Each annual database must identify the additions,  
18 deletions, and other changes to the preceding version of the  
19 database.

20 (3)(a) As used in this section, the term "due  
21 diligence" means the care and attention that is expected from  
22 and is ordinarily exercised by a reasonable and prudent person  
23 under the circumstances.

24 (b) Notwithstanding any law to the contrary, an  
25 insurance company is exercising due diligence if the insurance  
26 company complies with the provisions of paragraph (1)(b) or if  
27 the insurance company assigns an insured's premium to local  
28 taxing jurisdictions in accordance with the Department of  
29 Revenue's annual database and:

30 1. Expend reasonable resources to accurately and  
31 reliably implement such method;

1           2. Maintains adequate internal controls to correctly  
2 include in its database of policyholders the location of the  
3 property insured, in the proper address format, so that  
4 matching with the department's database is accurate; and

5           3. Corrects errors in the assignment of addresses to  
6 local taxing jurisdictions within 120 days after the insurance  
7 company discovers the errors.

8           (4) There is annually appropriated from the moneys  
9 collected under this chapter and deposited in the Police and  
10 Firefighter's Premium Tax Trust Fund an amount sufficient to  
11 pay the expenses of the Department of Revenue in administering  
12 this section, but not to exceed \$50,000 annually, adjusted  
13 annually by the lesser of a 5-percent increase or the  
14 percentage of growth in the total collections.

15           (5) The Department of Revenue shall adopt rules  
16 necessary to administer this section, including rules  
17 establishing procedures and forms.

18           (6) Any insurer that is obligated to collect and remit  
19 the tax on property insurance imposed under s. 175.101 shall  
20 be held harmless from liability, including, but not limited  
21 to, any tax, interest, or penalties, which would otherwise be  
22 due solely as a result of an assignment of an insured property  
23 to an incorrect local taxing jurisdiction, based on the  
24 collection and remission of the tax accruing before the  
25 effective date of this section, provided the insurer collects  
26 and reports this tax consistent with filings for periods  
27 before the effective date of this section. Further, any  
28 insurer that is obligated to collect and remit the tax on  
29 property insurance imposed under this section shall not be  
30 subject to an examination under s. 624.316 or s. 624.3161  
31 which would occur solely as a result of an assignment of an

1 insured property to an incorrect local taxing jurisdiction,  
2 based on the collection and remission of such tax accruing  
3 before the effective date of this section.

4 Section 2. Section 185.085, Florida Statutes, is  
5 created to read:

6 185.085 Determination of local premium tax situs.--

7 (1)(a) Any insurance company that is obligated to  
8 report and remit the excise tax on casualty insurance premiums  
9 imposed under s. 185.08 shall be held harmless from any  
10 liability for taxes, interest, or penalties that would  
11 otherwise be due solely as a result of an assignment of an  
12 insured property to an incorrect local taxing jurisdiction if  
13 the insurance company exercises due diligence in applying an  
14 electronic database provided by the Department of Revenue  
15 under subsection (2). Insurance companies that do not use the  
16 electronic database provided by the Department of Revenue or  
17 that do not exercise due diligence in applying the electronic  
18 database are subject to a 0.5-percent penalty on the portion  
19 of the premium pertaining to any insured risk that is  
20 improperly assigned, whether assigned to an improper local  
21 taxing jurisdiction, not assigned to a local taxing  
22 jurisdiction when it should be assigned to a local taxing  
23 jurisdiction, or assigned to a local taxing jurisdiction when  
24 it should not be assigned to a local taxing jurisdiction.

25 (b) Any insurance company that is obligated to report  
26 and remit the excise tax on commercial casualty insurance  
27 premiums imposed under s. 185.08 and is unable, after due  
28 diligence, to assign an insured property to a specific local  
29 taxing jurisdiction for purposes of complying with paragraph  
30 (a) shall remit the excise tax on commercial casualty  
31 insurance premiums using a methodology of apportionment in a

1 manner consistent with the remittance for the 2001 calendar  
2 year.

3 (2)(a) The Department of Revenue shall, subject to  
4 legislative appropriation, create as soon as practical and  
5 feasible, and thereafter shall maintain, an electronic  
6 database that gives due and proper regard to any format that  
7 is approved by the American National Standards Institute's  
8 Accredited Standards Committee X12 and that designates for  
9 each street address and address range in the state, including  
10 any multiple postal street addresses applicable to one street  
11 location, the local taxing jurisdiction in which the street  
12 address and address range is located and the appropriate code  
13 for each such participating local taxing jurisdiction,  
14 identified by one nationwide standard numeric code. The  
15 nationwide standard numeric code must contain the same number  
16 of numeric digits, and each digit or combination of digits  
17 must refer to the same level of taxing jurisdiction throughout  
18 the United States and must be in a format similar to FIPS 55-3  
19 or other appropriate standard approved by the Federation of  
20 Tax Administrators and the Multistate Tax Commission. Each  
21 address or address range must be provided in standard postal  
22 format, including the street number, street number range,  
23 street name, and zip code. Each year after the creation of the  
24 initial database, the Department of Revenue shall annually  
25 create and maintain a database for the current tax year. Each  
26 annual database must be calendar-year specific.

27 (b)1. Each participating local taxing jurisdiction  
28 shall furnish to the Department of Revenue all information  
29 needed to create the electronic database as soon as practical  
30 and feasible. The information furnished to the Department of  
31 Revenue must specify an effective date.



1           2. Each participating local taxing jurisdiction shall  
2 furnish to the Department of Revenue all information needed to  
3 create and update the current year's database, including  
4 changes in annexations, incorporations, and reorganizations  
5 and any other changes in jurisdictional boundaries, as well as  
6 changes in eligibility to participate in the excise tax  
7 imposed under this chapter. The information must specify an  
8 effective date and must be furnished to the Department of  
9 Revenue by July 1 of the current year.

10           3. The Department of Revenue shall create and update  
11 the current year's database in accordance with the information  
12 furnished by participating local taxing jurisdictions under  
13 subparagraph 1. or subparagraph 2., as appropriate. To the  
14 extent practicable, the Department of Revenue shall post each  
15 new annual database on a web site by September 1 of each year.  
16 Each participating local taxing jurisdiction shall have access  
17 to this web site and, within 30 days thereafter, shall provide  
18 any corrections to the Department of Revenue. The Department  
19 of Revenue shall finalize the current year's database and post  
20 it on a web site by November 1 of the tax year. If a dispute  
21 in jurisdictional boundaries cannot be resolved so that  
22 changes in boundaries may be included, as appropriate, in the  
23 database by November 1, the changes may not be retroactively  
24 included in the current year's database and the boundaries  
25 will remain the same as in the previous year's database. The  
26 finalized database must be used in assigning policies and  
27 premiums to the proper local taxing jurisdiction for the  
28 insurance premium tax return due on the following March 1. The  
29 Department of Revenue shall furnish the annual database on  
30 magnetic or electronic media to any insurance company or  
31 vendor that requests the database for the sole purpose of

1 assigning insurance premiums to the proper local taxing  
2 jurisdiction for the excise tax imposed under this chapter.  
3 Information contained in the electronic database is conclusive  
4 for purposes of this chapter. The electronic database is not  
5 an order, a rule, or a policy of general applicability.

6 4. Each annual database must identify the additions,  
7 deletions, and other changes to the preceding version of the  
8 database.

9 (3)(a) As used in this section, the term "due  
10 diligence" means the care and attention that is expected from  
11 and is ordinarily exercised by a reasonable and prudent person  
12 under the circumstances.

13 (b) Notwithstanding any law to the contrary, an  
14 insurance company is exercising due diligence if the insurance  
15 company complies with the provisions of paragraph (1)(b) or if  
16 the insurance company assigns an insured's premium to local  
17 taxing jurisdictions in accordance with the Department of  
18 Revenue's annual database and:

19 1. Expends reasonable resources to accurately and  
20 reliably implement such method;

21 2. Maintains adequate internal controls to correctly  
22 include in its database of policyholders the location of the  
23 property insured, in the proper address format, so that  
24 matching with the department's database is accurate; and

25 3. Corrects errors in the assignment of addresses to  
26 local taxing jurisdictions within 120 days after the insurance  
27 company discovers the errors.

28 (4) There is annually appropriated from the moneys  
29 collected under this chapter and deposited in the Police and  
30 Firefighter's Premium Tax Trust Fund an amount sufficient to  
31 pay the expenses of the Department of Revenue in administering

1 this section, but not to exceed \$50,000 annually, adjusted  
2 annually by the lesser of a 5-percent increase or the  
3 percentage of growth in the total collections.

4 (5) The Department of Revenue shall adopt rules  
5 necessary to administer this section, including rules  
6 establishing procedures and forms.

7 (6)(a) Notwithstanding any other provision of law, no  
8 methodology, formula, or database that is adopted in any year  
9 after the effective date of this section may result in a  
10 distribution to a participating municipality that has a  
11 retirement plan created pursuant to this chapter of an amount  
12 of excise tax which is less than the amount distributed to  
13 such participating municipality for calendar year 2002.  
14 However, if the total proceeds to be distributed for the  
15 current year from the excise tax imposed under s. 185.08 are  
16 less than the total amount distributed for calendar year 2002,  
17 each participating municipality shall receive a current year  
18 distribution that is proportionate to its share of the total  
19 2002 calendar year distribution. If the total proceeds to be  
20 distributed for the current year from the excise tax imposed  
21 under s. 185.08 are greater than or equal to the total amount  
22 distributed for calendar year 2002, each participating  
23 municipality shall initially be distributed a minimum amount  
24 equal to the amount received for calendar year 2002. The  
25 remaining amount to be distributed for the current year, which  
26 equals the total to be distributed for the current year less  
27 minimum distribution amount shall be distributed to those  
28 municipalities with a current-year reported amount that is  
29 greater than the amount distributed to such municipality for  
30 calendar year 2002. Each municipality eligible for  
31 distribution of this remaining amount shall receive its

1 proportionate share of the remaining amount based upon the  
2 amount reported for that municipality, above the calendar year  
3 2002 distribution for the current year, to the total amount  
4 over the calendar year 2002 distribution for all  
5 municipalities with a current year reported amount that is  
6 greater than the calendar year 2002 distribution.

7 (b) If a new municipality elects to participate under  
8 this chapter during any year after the effective date of this  
9 section, such municipality shall receive the total amount  
10 reported for the current year for such municipality. All other  
11 participating municipalities shall receive a current year  
12 distribution, calculated as provided in this section, which is  
13 proportionate to their share of the total 2002 calendar year  
14 distribution after subtracting the amount paid to the new  
15 participating plans.

16 (c) This subsection expires January 1, 2006.

17 (7) Any insurer that is obligated to collect and remit  
18 the tax on casualty insurance imposed under s. 185.08 shall be  
19 held harmless from liability, including, but not limited to,  
20 any tax, interest, or penalties, which would otherwise be due  
21 solely as a result of an assignment of an insured risk to an  
22 incorrect local taxing jurisdiction, based on the collection  
23 and remission of the tax accruing before the effective date of  
24 this section, provided the insurer collects and reports this  
25 tax consistent with filings for periods before the effective  
26 date of this section. Further, any insurer that is obligated  
27 to collect and remit the tax on casualty insurance imposed  
28 under this section shall not be subject to an examination  
29 under s. 624.316 or s. 624.3161 which would occur solely as a  
30 result of an assignment of an insured risk to an incorrect  
31 local taxing jurisdiction, based on the collection and

1 remission of such tax accruing before the effective date of  
2 this section.

3 Section 3. Subsection (18) of section 175.032, Florida  
4 Statutes, is amended to read:

5 175.032 Definitions.--For any municipality, special  
6 fire control district, chapter plan, local law municipality,  
7 local law special fire control district, or local law plan  
8 under this chapter, the following words and phrases have the  
9 following meanings:

10 (18) "Supplemental plan municipality" means any local  
11 law municipality in which there existed a supplemental plan,  
12 of any type or nature, as of December 1, 2000 ~~January 1, 1997~~.

13 Section 4. Subsection (1) and paragraph (b) of  
14 subsection (3) of section 175.351, Florida Statutes, are  
15 amended to read:

16 175.351 Municipalities and special fire control  
17 districts having their own pension plans for  
18 firefighters.--For any municipality, special fire control  
19 district, local law municipality, local law special fire  
20 control district, or local law plan under this chapter, in  
21 order for municipalities and special fire control districts  
22 with their own pension plans for firefighters, or for  
23 firefighters and police officers, where included, to  
24 participate in the distribution of the tax fund established  
25 pursuant to s. 175.101, local law plans must meet the minimum  
26 benefits and minimum standards set forth in this chapter.

27 (1) PREMIUM TAX INCOME.--If a municipality has a  
28 pension plan for firefighters, or a pension plan for  
29 firefighters and police officers, where included, which in the  
30 opinion of the division meets the minimum benefits and minimum  
31 standards set forth in this chapter, the board of trustees of

1 the pension plan, as approved by a majority of firefighters of  
2 the municipality, may:

3 (a) Place the income from the premium tax in s.  
4 175.101 in such pension plan for the sole and exclusive use of  
5 its firefighters, or for firefighters and police officers,  
6 where included, where it shall become an integral part of that  
7 pension plan and shall be used to pay extra benefits to the  
8 firefighters included in that pension plan; or

9 (b) Place the income from the premium tax in s.  
10 175.101 in a separate supplemental plan to pay extra benefits  
11 to firefighters, or to firefighters and police officers where  
12 included, participating in such separate supplemental plan.

13

14 The premium tax provided by this chapter shall in all cases be  
15 used in its entirety to provide extra benefits to  
16 firefighters, or to firefighters and police officers, where  
17 included. However, local law plans in effect on October 1,  
18 1998, shall be required to comply with the minimum benefit  
19 provisions of this chapter only to the extent that additional  
20 premium tax revenues become available to incrementally fund  
21 the cost of such compliance as provided in s. 175.162(2)(a).  
22 When a plan is in compliance with such minimum benefit  
23 provisions, as subsequent additional premium tax revenues  
24 become available, they shall be used to provide extra  
25 benefits. For the purpose of this chapter, "additional premium  
26 tax revenues" means revenues received by a municipality or  
27 special fire control district pursuant to s. 175.121 that  
28 exceed that amount received for calendar year 1997 and the  
29 term "extra benefits" means benefits in addition to or greater  
30 than those provided to general employees of the municipality,  
31 and in addition to those in existence for firefighters on

1 March 12, 1999. Local law plans created by special act before  
2 May 23, 1939, shall be deemed to comply with this chapter.

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

5 (b) Section 175.061(1)(b) shall not apply, and a local  
6 law plan and a supplemental plan shall continue to be  
7 administered by a board or boards of trustees numbered,  
8 constituted, and selected as the board or boards were  
9 numbered, constituted, and selected on December 1, 2000  
10 ~~January 1, 1997~~.

11 Section 5. Subsection (16) of section 185.02, Florida  
12 Statutes, is amended to read:

13 185.02 Definitions.--For any municipality, chapter  
14 plan, local law municipality, or local law plan under this  
15 chapter, the following words and phrases as used in this  
16 chapter shall have the following meanings, unless a different  
17 meaning is plainly required by the context:

18 (16) "Supplemental plan municipality" means any local  
19 law municipality in which there existed a supplemental plan as  
20 of December 1, 2000 ~~January 1, 1997~~.

21 Section 6. Subsection (1) and paragraph (b) of  
22 subsection (3) of section 185.35, Florida Statutes, are  
23 amended to read:

24 185.35 Municipalities having their own pension plans  
25 for police officers.--For any municipality, chapter plan,  
26 local law municipality, or local law plan under this chapter,  
27 in order for municipalities with their own pension plans for  
28 police officers, or for police officers and firefighters where  
29 included, to participate in the distribution of the tax fund  
30 established pursuant to s. 185.08, local law plans must meet  
31

1 the minimum benefits and minimum standards set forth in this  
2 chapter:

3 (1) PREMIUM TAX INCOME.--If a municipality has a  
4 pension plan for police officers, or for police officers and  
5 firefighters where included, which, in the opinion of the  
6 division, meets the minimum benefits and minimum standards set  
7 forth in this chapter, the board of trustees of the pension  
8 plan, as approved by a majority of police officers of the  
9 municipality, may:

10 (a) Place the income from the premium tax in s. 185.08  
11 in such pension plan for the sole and exclusive use of its  
12 police officers, or its police officers and firefighters where  
13 included, where it shall become an integral part of that  
14 pension plan and shall be used to pay extra benefits to the  
15 police officers included in that pension plan; or

16 (b) May place the income from the premium tax in s.  
17 185.08 in a separate supplemental plan to pay extra benefits  
18 to the police officers, or police officers and firefighters  
19 where included, participating in such separate supplemental  
20 plan.

21  
22 The premium tax provided by this chapter shall in all cases be  
23 used in its entirety to provide extra benefits to police  
24 officers, or to police officers and firefighters, where  
25 included. However, local law plans in effect on October 1,  
26 1998, shall be required to comply with the minimum benefit  
27 provisions of this chapter only to the extent that additional  
28 premium tax revenues become available to incrementally fund  
29 the cost of such compliance as provided in s. 185.16(2). When  
30 a plan is in compliance with such minimum benefit provisions,  
31 as subsequent additional tax revenues become available, they



1 shall be used to provide extra benefits. For the purpose of  
2 this chapter, "additional premium tax revenues" means revenues  
3 received by a municipality pursuant to s. 185.10 that exceed  
4 the amount received for calendar year 1997 and the term "extra  
5 benefits" means benefits in addition to or greater than those  
6 provided to general employees of the municipality, and in  
7 addition to those in existence for police officers on March  
8 12, 1999. Local law plans created by special act before May  
9 23, 1939, shall be deemed to comply with this chapter.

10 (3) Notwithstanding any other provision, with respect  
11 to any supplemental plan municipality:

12 (b) Section 185.05(1)(b) shall not apply, and a local  
13 law plan and a supplemental plan shall continue to be  
14 administered by a board or boards of trustees numbered,  
15 constituted, and selected as the board or boards were  
16 numbered, constituted, and selected on December 1, 2000  
17 ~~January 1, 1997~~.

18 Section 7. The sum of \$300,000 is appropriated from  
19 the General Revenue Fund to the Department of Revenue for the  
20 one-time expense of creating the original database called for  
21 by sections 1 and 2 of this act, and to begin the  
22 implementation process for use of the database. It is the  
23 intent of the Legislature in providing this appropriation that  
24 the database for sections 1 and 2 of this act be available for  
25 use in determining the allocation of premiums to the various  
26 municipalities and special fire control districts for the 2003  
27 insurance premium tax return that is due by March 1, 2004.

28 Section 8. This act shall take effect January 1, 2003.  
29  
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31

1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2 COMMITTEE SUBSTITUTE FOR  
3 SB 2164

4 This committee substitute makes significant changes to SB  
5 2164.

- 6 1. Instead of being an act relating to tax administration,  
7 it is an act relating to firefighters' and municipal  
8 police officers' pensions, and all issues unrelated to  
9 chapters 175 and 185, F.S., were taken out of the bill.
- 10 2. Additional safeguards were added for insurance companies  
11 for the period before the electronic database is  
12 available, providing that they will not be penalized for  
13 incorrectly assigning property if they continue to use  
14 the same methodology as they have used in the past to  
15 assign property.
- 16 3. If insured property cannot be assigned using the  
17 electronic database, an insurance company will not be  
18 subject to penalty if it uses due diligence in assigning  
19 the property.
- 20 4. With respect to police pensions, a hold-harmless is  
21 provided through 2005 to ensure that municipalities will  
22 continue to receive at least as much insurance premium  
23 revenue as they received in 2002, unless the total  
24 revenue available for distribution is less than the 2002  
25 amount. Any growth in revenue will be distributed to  
26 municipalities for which the reported amount is greater  
27 than the hold-harmless amount. If a new municipality  
28 elects to participate under chapter 185 during this  
29 period, it will receive its total reported amount.
- 30 5. The committee substitute amends ss. 175.351 and 185.35,  
31 F.S. to provide that "extra benefits" provided using  
additional premium tax revenues means benefits in  
addition to or greater than those provided to general  
employees of the municipality, and in addition to those  
in existence for firefighters or police officers on  
March 12, 1999.
6. The committee substitute also permits a retroactive  
qualification for supplemental benefit plan eligibility  
for the receipt of monies held in escrow by the Division  
of Retirement for the City of Tallahassee police and  
fire plan.