



CHAMBER ACTION

The Committee on Local Government & Veterans' Affairs recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to municipal police and firefighter pensions; amending s. 175.351, F.S.; authorizing certain municipalities to provide extra benefits to firefighter pension plans prior to the receipt of additional premium tax revenues; providing a procedure; amending s. 185.35, F.S.; authorizing certain municipalities to provide extra benefits in police officer pension plans under certain circumstances; providing a procedure; providing an effective date.

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

Section 1. Section 175.351, Florida Statutes, is amended to read:

175.351 Municipalities and special fire control districts having their own pension plans for firefighters.--For any municipality, special fire control district, local law



29 | municipality, local law special fire control district, or local
 30 | law plan under this chapter, in order for municipalities and
 31 | special fire control districts with their own pension plans for
 32 | firefighters, or for firefighters and police officers, where
 33 | included, to participate in the distribution of the tax fund
 34 | established pursuant to s. 175.101, local law plans must meet
 35 | the minimum benefits and minimum standards set forth in this
 36 | chapter.

37 | (1) PREMIUM TAX INCOME.--If a municipality has a pension
 38 | plan for firefighters, or a pension plan for firefighters and
 39 | police officers, where included, which in the opinion of the
 40 | division meets the minimum benefits and minimum standards set
 41 | forth in this chapter, the board of trustees of the pension
 42 | plan, as approved by a majority of firefighters of the
 43 | municipality, may:

44 | (a) Place the income from the premium tax in s. 175.101 in
 45 | such pension plan for the sole and exclusive use of its
 46 | firefighters, or for firefighters and police officers, where
 47 | included, where it shall become an integral part of that pension
 48 | plan and shall be used to pay extra benefits to the firefighters
 49 | included in that pension plan; or

50 | (b) Place the income from the premium tax in s. 175.101 in
 51 | a separate supplemental plan to pay extra benefits to
 52 | firefighters, or to firefighters and police officers where
 53 | included, participating in such separate supplemental plan.

54 |
 55 | The premium tax provided by this chapter shall in all cases be
 56 | used in its entirety to provide extra benefits to firefighters,



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57 | or to firefighters and police officers, where included. However,
58 | local law plans in effect on October 1, 1998, shall be required
59 | to comply with the minimum benefit provisions of this chapter
60 | only to the extent that additional premium tax revenues become
61 | available to incrementally fund the cost of such compliance as
62 | provided in s. 175.162(2)(a). When a plan is in compliance with
63 | such minimum benefit provisions, as subsequent additional
64 | premium tax revenues become available, they shall be used to
65 | provide extra benefits. For the purpose of this chapter,
66 | "additional premium tax revenues" means revenues received by a
67 | municipality or special fire control district pursuant to s.
68 | 175.121 that exceed that amount received for calendar year 1997
69 | and the term "extra benefits" means benefits in addition to or
70 | greater than those provided to general employees of the
71 | municipality. Local law plans created by special act before May
72 | 23, 1939, shall be deemed to comply with this chapter. As a
73 | permissive alternative to paragraph (a), a municipality, after
74 | meeting the minimum benefit provisions of this chapter, with the
75 | approval of the certified bargaining agent, where applicable, or
76 | a majority of firefighters, or firefighters and police officers,
77 | where included in the pension plan, may provide extra benefits
78 | to the members prior to receipt of additional premium tax
79 | revenues to fund such benefit improvements. The municipality
80 | shall advance to the appropriate plan the difference between
81 | actuarially determined costs of the extra benefits to be
82 | provided and the additional premium tax revenues received at the
83 | time of advancement. Thereafter, the municipality shall annually
84 | advance to the plan the difference in the actuarially determined



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85 cost of the extra benefits which were funded by the initial
86 advance and the available additional premium tax revenues until
87 such time as the growth in the available additional premium tax
88 revenues is sufficient to fund the costs of the extra benefits
89 provided by the initial advance. At such time, all additional
90 premium tax revenues in excess of the costs of the benefit
91 improvements shall be credited against the municipality's
92 required contributions until the funds credited to the
93 municipality equal the funds advanced by the municipality to the
94 plan with interest. Thereafter, all available additional premium
95 tax revenues shall be used to provide additional benefits.
96 Interest may be assessed against the funds advanced at a rate
97 not to exceed the rate permitted by law, provided such interest
98 is agreed to by the certified bargaining agent, where
99 applicable, or a majority of firefighters or firefighters and
100 police officers, where included in the pension plan. In no event
101 shall the municipality be relieved of its fiduciary
102 responsibility, as determined by the plan actuary, of funding
103 these extra benefits if the additional premium tax revenues are
104 not sufficient to fund the extra benefits. Prior to an agreement
105 between the municipality and the firefighters, or firefighters
106 and police officers where included, being implemented, the plan
107 administrator shall submit such agreement and the actuarial
108 impact statement prepared by the plan actuary to the Division of
109 Retirement for its determination and approval that said
110 agreement is in compliance with the requirements of part VII of
111 chapter 112.



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112 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No
113 retirement plan or amendment to a retirement plan shall be
114 proposed for adoption unless the proposed plan or amendment
115 contains an actuarial estimate of the costs involved. No such
116 proposed plan or proposed plan change shall be adopted without
117 the approval of the municipality, special fire control district,
118 or, where permitted, the Legislature. Copies of the proposed
119 plan or proposed plan change and the actuarial impact statement
120 of the proposed plan or proposed plan change shall be furnished
121 to the division prior to the last public hearing thereon. Such
122 statement shall also indicate whether the proposed plan or
123 proposed plan change is in compliance with s. 14, Art. X of the
124 State Constitution and those provisions of part VII of chapter
125 112 which are not expressly provided in this chapter.
126 Notwithstanding any other provision, only those local law plans
127 created by special act of legislation prior to May 23, 1939,
128 shall be deemed to meet the minimum benefits and minimum
129 standards only in this chapter.

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

132 (a) Section 175.032(3)(a) shall not apply, and a local law
133 plan and a supplemental plan may continue to use their
134 definition of compensation or salary in existence on the
135 effective date of this act.

136 (b) Section 175.061(1)(b) shall not apply, and a local law
137 plan and a supplemental plan shall continue to be administered
138 by a board or boards of trustees numbered, constituted, and



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139 selected as the board or boards were numbered, constituted, and
140 selected on December 1, 2000.

141 (c) The election set forth in paragraph (1)(b) shall be
142 deemed to have been made.

143 (4) The retirement plan setting forth the benefits and the
144 trust agreement, if any, covering the duties and
145 responsibilities of the trustees and the regulations of the
146 investment of funds must be in writing, and copies thereof must
147 be made available to the participants and to the general public.

148 Section 2. Section 185.35, Florida Statutes, is amended to
149 read:

150 185.35 Municipalities having their own pension plans for
151 police officers.--For any municipality, chapter plan, local law
152 municipality, or local law plan under this chapter, in order for
153 municipalities with their own pension plans for police officers,
154 or for police officers and firefighters where included, to
155 participate in the distribution of the tax fund established
156 pursuant to s. 185.08, local law plans must meet the minimum
157 benefits and minimum standards set forth in this chapter:

158 (1) PREMIUM TAX INCOME.--If a municipality has a pension
159 plan for police officers, or for police officers and
160 firefighters where included, which, in the opinion of the
161 division, meets the minimum benefits and minimum standards set
162 forth in this chapter, the board of trustees of the pension
163 plan, as approved by a majority of police officers of the
164 municipality, may:

165 (a) Place the income from the premium tax in s. 185.08 in
166 such pension plan for the sole and exclusive use of its police



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167 officers, or its police officers and firefighters where
168 included, where it shall become an integral part of that pension
169 plan and shall be used to pay extra benefits to the police
170 officers included in that pension plan; or

171 (b) May place the income from the premium tax in s. 185.08
172 in a separate supplemental plan to pay extra benefits to the
173 police officers, or police officers and firefighters where
174 included, participating in such separate supplemental plan.

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176 The premium tax provided by this chapter shall in all cases be
177 used in its entirety to provide extra benefits to police
178 officers, or to police officers and firefighters, where
179 included. However, local law plans in effect on October 1, 1998,
180 shall be required to comply with the minimum benefit provisions
181 of this chapter only to the extent that additional premium tax
182 revenues become available to incrementally fund the cost of such
183 compliance as provided in s. 185.16(2). When a plan is in
184 compliance with such minimum benefit provisions, as subsequent
185 additional tax revenues become available, they shall be used to
186 provide extra benefits. For the purpose of this chapter,
187 "additional premium tax revenues" means revenues received by a
188 municipality pursuant to s. 185.10 that exceed the amount
189 received for calendar year 1997 and the term "extra benefits"
190 means benefits in addition to or greater than those provided to
191 general employees of the municipality. Local law plans created
192 by special act before May 23, 1939, shall be deemed to comply
193 with this chapter. As a permissive alternative to paragraph (a),
194 a municipality, after meeting the minimum benefit provisions of



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195 this chapter, with the approval of the certified bargaining
196 agent, where applicable, or a majority of police officers, or
197 police officers and firefighters, where included in the pension
198 plan, may provide extra benefits to the members prior to receipt
199 of additional premium tax revenues to fund such benefit
200 improvements. The municipality shall advance to the appropriate
201 plan the difference between actuarially determined costs of the
202 extra benefits to be provided and the additional premium tax
203 revenues received at the time of advancement. Thereafter, the
204 municipality shall annually advance to the plan the difference
205 in the actuarially determined cost of the extra benefits which
206 were funded by the initial advance and the available additional
207 premium tax revenues until such time as the growth in the
208 available additional premium tax revenues is sufficient to fund
209 the costs of the extra benefits provided by the initial advance.
210 At such time, all additional premium tax revenues in excess of
211 the costs of the benefit improvements shall be credited against
212 the municipality's required contributions until the funds
213 credited to the municipality equal the funds advanced by the
214 municipality to the plan with interest. Thereafter, all
215 available additional premium tax revenues shall be used to
216 provide additional benefits. Interest may be assessed against
217 the funds advanced at a rate not to exceed the rate permitted by
218 law, provided such interest is agreed to by the certified
219 bargaining agent, where applicable, or a majority of police
220 officers or police officers and firefighters, where included in
221 the pension plan. In no event shall the municipality be relieved
222 of its fiduciary responsibility, as determined by the plan



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223 actuary, of funding these extra benefits if the additional
224 premium tax revenues are not sufficient to fund the extra
225 benefits. Prior to an agreement between the municipality and the
226 police officers, or police officers and firefighters where
227 included, being implemented, the plan administrator shall submit
228 such agreement and the actuarial impact statement prepared by
229 the plan actuary to the Division of Retirement for its
230 determination and approval that said agreement is in compliance
231 with the requirements of part VII of chapter 112.

232 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No
233 retirement plan or amendment to a retirement plan shall be
234 proposed for adoption unless the proposed plan or amendment
235 contains an actuarial estimate of the costs involved. No such
236 proposed plan or proposed plan change shall be adopted without
237 the approval of the municipality or, where permitted, the
238 Legislature. Copies of the proposed plan or proposed plan change
239 and the actuarial impact statement of the proposed plan or
240 proposed plan change shall be furnished to the division prior to
241 the last public hearing thereon. Such statement shall also
242 indicate whether the proposed plan or proposed plan change is in
243 compliance with s. 14, Art. X of the State Constitution and
244 those provisions of part VII of chapter 112 which are not
245 expressly provided in this chapter. Notwithstanding any other
246 provision, only those local law plans created by special act of
247 legislation prior to May 23, 1939, shall be deemed to meet the
248 minimum benefits and minimum standards only in this chapter.

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



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251 (a) Section 185.02(4)(a) shall not apply, and a local law
252 plan and a supplemental plan may continue to use their
253 definition of compensation or salary in existence on the
254 effective date of this act.

255 (b) Section 185.05(1)(b) shall not apply, and a local law
256 plan and a supplemental plan shall continue to be administered
257 by a board or boards of trustees numbered, constituted, and
258 selected as the board or boards were numbered, constituted, and
259 selected on December 1, 2000.

260 (c) The election set forth in paragraph (1)(b) shall be
261 deemed to have been made.

262 (4) The retirement plan setting forth the benefits and the
263 trust agreement, if any, covering the duties and
264 responsibilities of the trustees and the regulations of the
265 investment of funds must be in writing and copies made available
266 to the participants and to the general public.

267 Section 3. This act shall take effect upon becoming a law.
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