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A bill to be entitled
 An act relating to firefighter and municipal police pensions; creating ss. 175.1015 and 185.085, F.S.; requiring the Department of Revenue to create and maintain a database for use by insurers for certain purposes; providing insurers with incentives for using the database; providing penalties for failure to use the database; requiring local governments to provide information to the department; appropriating funds to the department for the administration of the database; authorizing the department to adopt rules; providing for distribution of certain tax revenues through 2007; amending ss. 175.351 and 185.35, F.S.; revising the term "extra benefits" with respect to pension plans for firefighters and pension plans for municipal police officers; providing an appropriation; providing an effective date.

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

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

175.1015 Determination of local premium tax situs.--

(1) (a) Any insurance company that is obligated to report and remit the excise tax on property insurance premiums imposed under s. 175.101 shall be held harmless from any liability for taxes, interest, or penalties that would otherwise be due solely as a result of an assignment of an insured property to an incorrect local taxing jurisdiction if the insurance company exercises due diligence in applying an electronic database provided by the Department of Revenue under subsection (2).



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31 Insurance companies that do not use the electronic database
32 provided by the Department of Revenue or that do not exercise
33 due diligence in applying the electronic database are subject to
34 a 0.5-percent penalty on the portion of the premium pertaining
35 to any insured risk that is improperly assigned, whether
36 assigned to an improper local taxing jurisdiction, not assigned
37 to a local taxing jurisdiction when it should be assigned to a
38 local taxing jurisdiction, or assigned to a local taxing
39 jurisdiction when it should not be assigned to a local taxing
40 jurisdiction.

41 (b) Any insurance company that is obligated to report and
42 remit the excise tax on commercial property insurance premiums
43 imposed under s. 175.101 and is unable, after due diligence, to
44 assign an insured property to a specific local taxing
45 jurisdiction for purposes of complying with paragraph (a) shall
46 remit the excise tax on commercial property insurance premiums
47 using a methodology of apportionment in a manner consistent with
48 the remittance for the 2002 calendar year.

49 (2) (a) The Department of Revenue shall, subject to
50 legislative appropriation, create as soon as practical and
51 feasible, and thereafter shall maintain, an electronic database
52 that gives due and proper regard to any format that is approved
53 by the American National Standards Institute's Accredited
54 Standards Committee X12 and that designates for each street
55 address and address range in the state, including any multiple
56 postal street addresses applicable to one street location, the
57 local taxing jurisdiction in which the street address and
58 address range is located and the appropriate code for each such
59 participating local taxing jurisdiction, identified by one
60 nationwide standard numeric code. The nationwide standard



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61 numeric code must contain the same number of numeric digits, and
62 each digit or combination of digits must refer to the same level
63 of taxing jurisdiction throughout the United States and must be
64 in a format similar to FIPS 55-3 or other appropriate standard
65 approved by the Federation of Tax Administrators and the
66 Multistate Tax Commission. Each address or address range must be
67 provided in standard postal format, including the street number,
68 street number range, street name, and zip code. Each year after
69 the creation of the initial database, the Department of Revenue
70 shall annually create and maintain a database for the current
71 tax year. Each annual database must be calendar-year specific.

72 (b)1. Each participating local taxing jurisdiction shall
73 furnish to the Department of Revenue all information needed to
74 create the electronic database as soon as practical and
75 feasible. The information furnished to the Department of Revenue
76 must specify an effective date.

77 2. Each participating local taxing jurisdiction shall
78 furnish to the Department of Revenue all information needed to
79 create and update the current year's database, including changes
80 in annexations, incorporations, and reorganizations and any
81 other changes in jurisdictional boundaries, as well as changes
82 in eligibility to participate in the excise tax imposed under
83 this chapter. The information must specify an effective date and
84 must be furnished to the Department of Revenue by July 1 of the
85 current year.

86 3. The Department of Revenue shall create and update the
87 current year's database in accordance with the information
88 furnished by participating local taxing jurisdictions under
89 subparagraph 1. or subparagraph 2., as appropriate. To the
90 extent practicable, the Department of Revenue shall post each



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91 new annual database on a web site by September 1 of each year.
92 Each participating local taxing jurisdiction shall have access
93 to this web site and, within 30 days thereafter, shall provide
94 any corrections to the Department of Revenue. The Department of
95 Revenue shall finalize the current year's database and post it
96 on a web site by November 1 of the tax year. If a dispute in
97 jurisdictional boundaries cannot be resolved so that changes in
98 boundaries may be included, as appropriate, in the database by
99 November 1, the changes may not be retroactively included in the
100 current year's database and the boundaries will remain the same
101 as in the previous year's database. The finalized database must
102 be used in assigning policies and premiums to the proper local
103 taxing jurisdiction for the insurance premium tax return due on
104 the following March 1. The Department of Revenue shall furnish
105 the annual database on magnetic or electronic media to any
106 insurance company or vendor that requests the database for the
107 sole purpose of assigning insurance premiums to the proper local
108 taxing jurisdiction for the excise tax imposed under this
109 chapter. Information contained in the electronic database is
110 conclusive for purposes of this chapter. The electronic database
111 is not an order, a rule, or a policy of general applicability.

112 4. Each annual database must identify the additions,
113 deletions, and other changes to the preceding version of the
114 database.

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

119 (b) Notwithstanding any law to the contrary, an insurance
120 company is exercising due diligence if the insurance company



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121 complies with the provisions of paragraph (1)(b) or if the
122 insurance company assigns an insured's premium to local taxing
123 jurisdictions in accordance with the Department of Revenue's
124 annual database and:

125 1. Expends reasonable resources to accurately and reliably
126 implement such method;

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

131 3. Corrects errors in the assignment of addresses to local
132 taxing jurisdictions within 120 days after the insurance company
133 discovers the errors.

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

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

144 (6) Any insurer that is obligated to collect and remit the
145 tax on property insurance imposed under s. 175.101 shall be held
146 harmless from liability, including, but not limited to, any tax,
147 interest, or penalties, which would otherwise be due solely as a
148 result of an assignment of an insured property to an incorrect
149 local taxing jurisdiction, based on the collection and remission
150 of the tax accruing before January 1, 2004, provided the insurer



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151 collects and reports this tax consistent with filings for
 152 periods before January 1, 2004. Further, any insurer that is
 153 obligated to collect and remit the tax on property insurance
 154 imposed under this section shall not be subject to an
 155 examination under s. 624.316 or s. 624.3161 which would occur
 156 solely as a result of an assignment of an insured property to an
 157 incorrect local taxing jurisdiction, based on the collection and
 158 remission of such tax accruing before January 1, 2004.

159 Section 2. Subsection (1) of section 175.351, Florida
 160 Statutes, is amended to read:

161 175.351 Municipalities and special fire control districts
 162 having their own pension plans for firefighters.--For any
 163 municipality, special fire control district, local law
 164 municipality, local law special fire control district, or local
 165 law plan under this chapter, in order for municipalities and
 166 special fire control districts with their own pension plans for
 167 firefighters, or for firefighters and police officers, where
 168 included, to participate in the distribution of the tax fund
 169 established pursuant to s. 175.101, local law plans must meet
 170 the minimum benefits and minimum standards set forth in this
 171 chapter.

172 (1) PREMIUM TAX INCOME.--If a municipality has a pension
 173 plan for firefighters, or a pension plan for firefighters and
 174 police officers, where included, which in the opinion of the
 175 division meets the minimum benefits and minimum standards set
 176 forth in this chapter, the board of trustees of the pension
 177 plan, as approved by a majority of firefighters of the
 178 municipality, may:

179 (a) Place the income from the premium tax in s. 175.101 in
 180 such pension plan for the sole and exclusive use of its



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181 firefighters, or for firefighters and police officers, where
182 included, where it shall become an integral part of that pension
183 plan and shall be used to pay extra benefits to the firefighters
184 included in that pension plan; or

185 (b) Place the income from the premium tax in s. 175.101 in
186 a separate supplemental plan to pay extra benefits to
187 firefighters, or to firefighters and police officers where
188 included, participating in such separate supplemental plan.

189

190 The premium tax provided by this chapter shall in all cases be
191 used in its entirety to provide extra benefits to firefighters,
192 or to firefighters and police officers, where included. However,
193 local law plans in effect on October 1, 1998, shall be required
194 to comply with the minimum benefit provisions of this chapter
195 only to the extent that additional premium tax revenues become
196 available to incrementally fund the cost of such compliance as
197 provided in s. 175.162(2)(a). When a plan is in compliance with
198 such minimum benefit provisions, as subsequent additional
199 premium tax revenues become available, they shall be used to
200 provide extra benefits. For the purpose of this chapter,
201 "additional premium tax revenues" means revenues received by a
202 municipality or special fire control district pursuant to s.
203 175.121 that exceed that amount received for calendar year 1997
204 and the term "extra benefits" means benefits in addition to or
205 greater than those provided to general employees of the
206 municipality and in addition to those in existence for
207 firefighters on March 12, 1999. Local law plans created by
208 special act before May 23, 1939, shall be deemed to comply with
209 this chapter.

210 Section 3. Section 185.085, Florida Statutes, is created



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211 to read:

212 185.085 Determination of local premium tax situs.--

213 (1) (a) Any insurance company that is obligated to report
 214 and remit the excise tax on casualty insurance premiums imposed
 215 under s. 185.08 shall be held harmless from any liability for
 216 taxes, interest, or penalties that would otherwise be due solely
 217 as a result of an assignment of an insured property to an
 218 incorrect local taxing jurisdiction if the insurance company
 219 exercises due diligence in applying an electronic database
 220 provided by the Department of Revenue under subsection (2).
 221 Insurance companies that do not use the electronic database
 222 provided by the Department of Revenue or that do not exercise
 223 due diligence in applying the electronic database are subject to
 224 a 0.5-percent penalty on the portion of the premium pertaining
 225 to any insured risk that is improperly assigned, whether
 226 assigned to an improper local taxing jurisdiction, not assigned
 227 to a local taxing jurisdiction when it should be assigned to a
 228 local taxing jurisdiction, or assigned to a local taxing
 229 jurisdiction when it should not be assigned to a local taxing
 230 jurisdiction.

231 (b) Any insurance company that is obligated to report and
 232 remit the excise tax on commercial casualty insurance premiums
 233 imposed under s. 185.08 and is unable, after due diligence, to
 234 assign an insured property to a specific local taxing
 235 jurisdiction for purposes of complying with paragraph(a) shall
 236 remit the excise tax on commercial casualty insurance premiums
 237 using a methodology of apportionment in a manner consistent with
 238 the remittance for the 2002 calendar year.

239 (2) (a) The Department of Revenue shall, subject to
 240 legislative appropriation, create as soon as practical and



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241 feasible, and thereafter shall maintain, an electronic database
242 that gives due and proper regard to any format that is approved
243 by the American National Standards Institute's Accredited
244 Standards Committee X12 and that designates for each street
245 address and address range in the state, including any multiple
246 postal street addresses applicable to one street location, the
247 local taxing jurisdiction in which the street address and
248 address range is located and the appropriate code for each such
249 participating local taxing jurisdiction, identified by one
250 nationwide standard numeric code. The nationwide standard
251 numeric code must contain the same number of numeric digits, and
252 each digit or combination of digits must refer to the same level
253 of taxing jurisdiction throughout the United States and must be
254 in a format similar to FIPS 55-3 or other appropriate standard
255 approved by the Federation of Tax Administrators and the
256 Multistate Tax Commission. Each address or address range must be
257 provided in standard postal format, including the street number,
258 street number range, street name, and zip code. Each year after
259 the creation of the initial database, the Department of Revenue
260 shall annually create and maintain a database for the current
261 tax year. Each annual database must be calendar-year specific.

262 (b)1. Each participating local taxing jurisdiction shall
263 furnish to the Department of Revenue all information needed to
264 create the electronic database as soon as practical and
265 feasible. The information furnished to the Department of Revenue
266 must specify an effective date.

267 2. Each participating local taxing jurisdiction shall
268 furnish to the Department of Revenue all information needed to
269 create and update the current year's database, including changes
270 in annexations, incorporations, and reorganizations and any



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271 other changes in jurisdictional boundaries, as well as changes
272 in eligibility to participate in the excise tax imposed under
273 this chapter. The information must specify an effective date and
274 must be furnished to the Department of Revenue by July 1 of the
275 current year.

276 3. The Department of Revenue shall create and update the
277 current year's database in accordance with the information
278 furnished by participating local taxing jurisdictions under
279 subparagraph 1. or subparagraph 2., as appropriate. To the
280 extent practicable, the Department of Revenue shall post each
281 new annual database on a web site by September 1 of each year.
282 Each participating local taxing jurisdiction shall have access
283 to this web site and, within 30 days thereafter, shall provide
284 any corrections to the Department of Revenue. The Department of
285 Revenue shall finalize the current year's database and post it
286 on a web site by November 1 of the tax year. If a dispute in
287 jurisdictional boundaries cannot be resolved so that changes in
288 boundaries may be included, as appropriate, in the database by
289 November 1, the changes may not be retroactively included in the
290 current year's database and the boundaries will remain the same
291 as in the previous year's database. The finalized database must
292 be used in assigning policies and premiums to the proper local
293 taxing jurisdiction for the insurance premium tax return due on
294 the following March 1. The Department of Revenue shall furnish
295 the annual database on magnetic or electronic media to any
296 insurance company or vendor that requests the database for the
297 sole purpose of assigning insurance premiums to the proper local
298 taxing jurisdiction for the excise tax imposed under this
299 chapter. Information contained in the electronic database is
300 conclusive for purposes of this chapter. The electronic database



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301 is not an order, a rule, or a policy of general applicability.

302 4. Each annual database must identify the additions,
303 deletions, and other changes to the preceding version of the
304 database.

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

309 (b) Notwithstanding any law to the contrary, an insurance
310 company is exercising due diligence if the insurance company
311 complies with the provisions of paragraph (1) (b) or if the
312 insurance company assigns an insured's premium to local taxing
313 jurisdictions in accordance with the Department of Revenue's
314 annual database and:

315 1. Expends reasonable resources to accurately and reliably
316 implement such method;

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

321 3. Corrects errors in the assignment of addresses to local
322 taxing jurisdictions within 120 days after the insurance company
323 discovers the errors.

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



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

334 (6) (a) Notwithstanding any other provision of law, no
 335 methodology, formula, or database that is adopted in any year
 336 after January 1, 2004, may result in a distribution to a
 337 participating municipality that has a retirement plan created
 338 pursuant to this chapter of an amount of excise tax which is
 339 less than the amount distributed to such participating
 340 municipality for calendar year 2003. However, if the total
 341 proceeds to be distributed for the current year from the excise
 342 tax imposed under s. 185.08 are less than the total amount
 343 distributed for calendar year 2003, each participating
 344 municipality shall receive a current year distribution that is
 345 proportionate to its share of the total 2003 calendar year
 346 distribution. If the total proceeds to be distributed for the
 347 current year from the excise tax imposed under s. 185.08 are
 348 greater than or equal to the total amount distributed for
 349 calendar year 2003, each participating municipality shall
 350 initially be distributed a minimum amount equal to the amount
 351 received for calendar year 2003. The remaining amount to be
 352 distributed for the current year, which equals the total to be
 353 distributed for the current year less minimum distribution
 354 amount shall be distributed to those municipalities with a
 355 current-year reported amount that is greater than the amount
 356 distributed to such municipality for calendar year 2003. Each
 357 municipality eligible for distribution of this remaining amount
 358 shall receive its proportionate share of the remaining amount
 359 based upon the amount reported for that municipality, above the
 360 calendar year 2003 distribution for the current year, to the



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361 total amount over the calendar year 2003 distribution for all
362 municipalities with a current year reported amount that is
363 greater than the calendar year 2003 distribution.

364 (b) If a new municipality elects to participate under this
365 chapter during any year after January 1, 2004, such municipality
366 shall receive the total amount reported for the current year for
367 such municipality. All other participating municipalities shall
368 receive a current year distribution, calculated as provided in
369 this section, which is proportionate to their share of the total
370 2003 calendar year distribution after subtracting the amount
371 paid to the new participating plans.

372 (c) This subsection expires January 1, 2007.

373 (7) Any insurer that is obligated to collect and remit the
374 tax on casualty insurance imposed under s. 185.08 shall be held
375 harmless from liability, including, but not limited to, any tax,
376 interest, or penalties, which would otherwise be due solely as a
377 result of an assignment of an insured risk to an incorrect local
378 taxing jurisdiction, based on the collection and remission of
379 the tax accruing before January 1, 2004, provided the insurer
380 collects and reports this tax consistent with filings for
381 periods before January 1, 2004. Further, any insurer that is
382 obligated to collect and remit the tax on casualty insurance
383 imposed under this section shall not be subject to an
384 examination under s. 624.316 or s. 624.3161 which would occur
385 solely as a result of an assignment of an insured risk to an
386 incorrect local taxing jurisdiction, based on the collection and
387 remission of such tax accruing before January 1, 2004.

388 Section 4. Subsection (1) of section 185.35, Florida
389 Statutes, is amended to read:



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390 185.35 Municipalities having their own pension plans for
391 police officers.--For any municipality, chapter plan, local law
392 municipality, or local law plan under this chapter, in order for
393 municipalities with their own pension plans for police officers,
394 or for police officers and firefighters where included, to
395 participate in the distribution of the tax fund established
396 pursuant to s. 185.08, local law plans must meet the minimum
397 benefits and minimum standards set forth in this chapter:

398 (1) PREMIUM TAX INCOME.--If a municipality has a pension
399 plan for police officers, or for police officers and
400 firefighters where included, which, in the opinion of the
401 division, meets the minimum benefits and minimum standards set
402 forth in this chapter, the board of trustees of the pension
403 plan, as approved by a majority of police officers of the
404 municipality, may:

405 (a) Place the income from the premium tax in s. 185.08 in
406 such pension plan for the sole and exclusive use of its police
407 officers, or its police officers and firefighters where
408 included, where it shall become an integral part of that pension
409 plan and shall be used to pay extra benefits to the police
410 officers included in that pension plan; or

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

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416 The premium tax provided by this chapter shall in all cases be
417 used in its entirety to provide extra benefits to police
418 officers, or to police officers and firefighters, where
419 included. However, local law plans in effect on October 1, 1998,



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420 shall be required to comply with the minimum benefit provisions
 421 of this chapter only to the extent that additional premium tax
 422 revenues become available to incrementally fund the cost of such
 423 compliance as provided in s. 185.16(2). When a plan is in
 424 compliance with such minimum benefit provisions, as subsequent
 425 additional tax revenues become available, they shall be used to
 426 provide extra benefits. For the purpose of this chapter,
 427 "additional premium tax revenues" means revenues received by a
 428 municipality pursuant to s. 185.10 that exceed the amount
 429 received for calendar year 1997 and the term "extra benefits"
 430 means benefits in addition to or greater than those provided to
 431 general employees of the municipality and in addition to those
 432 in existence for police officers on March 12, 1999. Local law
 433 plans created by special act before May 23, 1939, shall be
 434 deemed to comply with this chapter.

435 Section 5. The sum of \$300,000 is appropriated from the
 436 General Revenue Fund to the Department of Revenue for the one-
 437 time expense of creating the original database called for by ss.
 438 175.1015 and 185.085, Florida Statutes, as created by this act,
 439 and to begin the implementation process for use of the database.
 440 It is the intent of the Legislature in providing this
 441 appropriation that the database for ss. 175.1015 and 185.085,
 442 Florida Statutes, as created by this act, be available for use
 443 in determining the allocation of premiums to the various
 444 municipalities and special fire control districts for the 2004
 445 insurance premium tax return that is due by March 1, 2005.

446 Section 6. This act shall take effect January 1, 2004.