

1 A bill to be entitled

2 An act relating to the Florida Retirement System; amending
3 s. 121.055, F.S.; during a specified period of time,
4 permitting local government employees who are members of
5 the Senior Management Service Class, who have withdrawn
6 from the Florida Retirement System, to elect membership in
7 the defined benefit program or the public employee
8 optional retirement program of the system; prescribing
9 requirements in making such election; providing for
10 payment of the costs of such membership; amending s.
11 175.041, F.S.; providing that any municipality that
12 provides fire protection services to another municipality
13 under an interlocal agreement is eligible to receive
14 premium taxes; authorizing the municipality that receives
15 the fire protection services to enact an ordinance levying
16 the tax; authorizing the Division of Retirement within the
17 Department of Management Services to distribute the
18 premium taxes; amending s. 175.101, F.S.; authorizing any
19 municipality that has entered into an interlocal agreement
20 for fire protection services with another municipality to
21 impose an excise tax on entities that are engaged in the
22 business of property insurance; providing an effective
23 date.

24
25 Be It Enacted by the Legislature of the State of Florida:

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27 Section 1. Paragraph (b) of subsection (1) of section
28 121.055, Florida Statutes, is amended to read:

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29 121.055 Senior Management Service Class.--There is hereby
30 established a separate class of membership within the Florida
31 Retirement System to be known as the "Senior Management Service
32 Class," which shall become effective February 1, 1987.

33 (1)

34 (b)1. Except as provided in subparagraph 2., effective
35 January 1, 1990, participation in the Senior Management Service
36 Class shall be compulsory for the president of each community
37 college, the manager of each participating city or county, and
38 all appointed district school superintendents. Effective
39 January 1, 1994, additional positions may be designated for
40 inclusion in the Senior Management Service Class of the Florida
41 Retirement System, provided that:

42 a. Positions to be included in the class shall be
43 designated by the local agency employer. Notice of intent to
44 designate positions for inclusion in the class shall be
45 published once a week for 2 consecutive weeks in a newspaper of
46 general circulation published in the county or counties
47 affected, as provided in chapter 50.

48 b. Up to 10 nonelective full-time positions may be
49 designated for each local agency employer reporting to the
50 Department of Management Services; for local agencies with 100
51 or more regularly established positions, additional nonelective
52 full-time positions may be designated, not to exceed 1 percent
53 of the regularly established positions within the agency.

54 c. Each position added to the class must be a managerial
55 or policymaking position filled by an employee who is not

56 subject to continuing contract and serves at the pleasure of the
 57 local agency employer without civil service protection, and who:

58 (I) Heads an organizational unit; or

59 (II) Has responsibility to effect or recommend personnel,
 60 budget, expenditure, or policy decisions in his or her areas of
 61 responsibility.

62 2. In lieu of participation in the Senior Management
 63 Service Class, members of the Senior Management Service Class
 64 pursuant to the provisions of subparagraph 1. may withdraw from
 65 the Florida Retirement System altogether. The decision to
 66 withdraw from the Florida Retirement System shall be irrevocable
 67 for as long as the employee holds such a position. Any service
 68 creditable under the Senior Management Service Class shall be
 69 retained after the member withdraws from the Florida Retirement
 70 System; however, additional service credit in the Senior
 71 Management Service Class shall not be earned after such
 72 withdrawal. Such members shall not be eligible to participate
 73 in the Senior Management Service Optional Annuity Program.

74 3. Effective January 1, 2006, through June 30, 2006, an
 75 employee who has withdrawn from the Florida Retirement System
 76 under subparagraph 2. has one opportunity to elect to
 77 participate in either the defined benefit program or the Public
 78 Employee Optional Retirement Program of the Florida Retirement
 79 System.

80 a. If the employee elects to participate in the Public
 81 Employee Optional Retirement Program, membership shall be
 82 prospective, and the applicable provisions of s. 121.4501(4)
 83 shall govern the election.

84 b. If the employee elects to participate in the defined
 85 benefit program of the Florida Retirement System, the employee
 86 shall, upon payment to the system trust fund of the amount
 87 calculated under sub-sub-subparagraph (I), receive service
 88 credit for prior service based upon the time during which the
 89 employee had withdrawn from the system.

90 (I) The cost for such credit shall be an amount
 91 representing the actuarial accrued liability for the affected
 92 period of service. The cost shall be calculated using the
 93 discount rate and other relevant actuarial assumptions that were
 94 used to value the Florida Retirement System defined benefit plan
 95 liabilities in the most recent actuarial valuation. The
 96 calculation shall include any service already maintained under
 97 the defined benefit plan in addition to the period of
 98 withdrawal. The actuarial accrued liability attributable to any
 99 service already maintained under the defined benefit plan shall
 100 be applied as a credit to the total cost resulting from the
 101 calculation. The division shall ensure that the transfer sum is
 102 prepared using a formula and methodology certified by an
 103 actuary.

104 (II) The employee must transfer a sum representing the net
 105 cost owed for the actuarial accrued liability in sub-sub-
 106 subparagraph (I) immediately following the time of such
 107 movement, determined assuming that attained service equals the
 108 sum of service in the defined benefit program and the period of
 109 withdrawal.

110 Section 2. Subsection (3) of section 175.041, Florida
 111 Statutes, is amended to read:

112 | 175.041 Firefighters' Pension Trust Fund created;
 113 | applicability of provisions.--For any municipality, special fire
 114 | control district, chapter plan, local law municipality, local
 115 | law special fire control district, or local law plan under this
 116 | chapter:

117 | (3) The provisions of this chapter shall apply only to
 118 | municipalities organized and established pursuant to the laws of
 119 | the state and to special fire control districts, and said
 120 | provisions shall not apply to the unincorporated areas of any
 121 | county or counties except with respect to special fire control
 122 | districts that include unincorporated areas, nor shall the
 123 | provisions hereof apply to any governmental entity whose
 124 | firefighters are eligible to participate in the Florida
 125 | Retirement System.

126 | (a) Special fire control districts that include, or
 127 | consist exclusively of, unincorporated areas of one or more
 128 | counties may levy and impose the tax and participate in the
 129 | retirement programs enabled by this chapter.

130 | (b) With respect to the distribution of premium taxes, a
 131 | single consolidated government consisting of a former county and
 132 | one or more municipalities, consolidated pursuant to s. 3 or s.
 133 | 6(e) ~~(6)(e)~~, Art. VIII of the State Constitution, is also
 134 | eligible to participate under this chapter. The consolidated
 135 | government shall notify the division when it has entered into an
 136 | interlocal agreement to provide fire services to a municipality
 137 | within its boundaries. The municipality may enact an ordinance
 138 | levying the tax as provided in s. 175.101. Upon being provided
 139 | copies of the interlocal agreement and the municipal ordinance

140 | levying the tax, the division may distribute any premium taxes
141 | reported for the municipality to the consolidated government as
142 | long as the interlocal agreement is in effect.

143 | (c) Any municipality that has entered into an interlocal
144 | agreement to provide fire protection services to any other
145 | incorporated municipality, in its entirety, for a period of 12
146 | months or more may be eligible to receive the premium taxes
147 | reported for such other municipality. In order to be eligible
148 | for such premium taxes, the municipality providing the fire
149 | services must notify the division that it has entered into an
150 | interlocal agreement with another municipality. The municipality
151 | receiving the fire services may enact an ordinance levying the
152 | tax as provided in s. 175.101. Upon being provided copies of the
153 | interlocal agreement and the municipal ordinance levying the
154 | tax, the division may distribute any premium taxes reported for
155 | the municipality receiving the fire services to the
156 | participating municipality providing the fire services as long
157 | as the interlocal agreement is in effect.

158 | Section 3. Section 175.101, Florida Statutes, is amended
159 | to read:

160 | 175.101 State excise tax on property insurance premiums
161 | authorized; procedure.--For any municipality, special fire
162 | control district, chapter plan, local law municipality, local
163 | law special fire control district, or local law plan under this
164 | chapter:

165 | (1) Each municipality or special fire control district in
166 | this state described and classified in s. 175.041, having a
167 | lawfully established firefighters' pension trust fund or

168 municipal fund or special fire control district fund, by
169 whatever name known, providing pension benefits to firefighters
170 as provided under this chapter, may assess and impose on every
171 insurance company, corporation, or other insurer now engaged in
172 or carrying on, or who shall hereinafter engage in or carry on,
173 the business of property insurance as shown by the records of
174 the Office of Insurance Regulation of the Financial Services
175 Commission an excise tax in addition to any lawful license or
176 excise tax now levied by each of the municipalities or special
177 fire control districts, respectively, amounting to 1.85 percent
178 of the gross amount of receipts of premiums from policyholders
179 on all premiums collected on property insurance policies
180 covering property within the corporate limits of such
181 municipalities or within the legally defined boundaries of
182 special fire control districts, respectively. Whenever the
183 boundaries of a special fire control district that has lawfully
184 established a firefighters' pension trust fund encompass a
185 portion of the corporate territory of a municipality that has
186 also lawfully established a firefighters' pension trust fund,
187 that portion of the tax receipts attributable to insurance
188 policies covering property situated both within the municipality
189 and the special fire control district shall be given to the fire
190 service provider. The agent shall identify the fire service
191 provider on the property owner's application for insurance.
192 Remaining revenues collected pursuant to this chapter shall be
193 distributed to the municipality or special fire control district
194 according to the location of the insured property.

195 (2) In the case of multiple peril policies with a single
196 premium for both the property and casualty coverages in such
197 policies, 70 percent of such premium shall be used as the basis
198 for the 1.85-percent tax.

199 (3) This excise tax shall be payable annually on March 1
200 of each year after the passage of an ordinance, in the case of a
201 municipality, or resolution, in the case of a special fire
202 control district, assessing and imposing the tax authorized by
203 this section. Installments of taxes shall be paid according to
204 the provision of s. 624.5092(2)(a), (b), and (c).

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206 This section also applies to any municipality consisting of a
207 single consolidated government which is made up of a former
208 county and one or more municipalities, consolidated pursuant to
209 the authority in s. 3 or s. 6(e), Art. VIII of the State
210 Constitution, and to property insurance policies covering
211 property within the boundaries of the consolidated government,
212 regardless of whether the properties are located within one or
213 more separately incorporated areas within the consolidated
214 government, provided the properties are being provided fire
215 protection services by the consolidated government. This section
216 also applies to any municipality, as provided in s.
217 175.041(3)(c), which has entered into an interlocal agreement to
218 receive fire protection services from another municipality
219 participating under chapter 175. The excise tax may be levied on
220 all premiums collected on property insurance policies covering
221 property located within the corporate limits of the municipality
222 receiving the fire protection services, but will be available

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223 | for distribution to the municipality providing the fire
224 | protection services.

225 | Section 4. This act shall take effect October 1, 2005.