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1 A bill to be entitled
2 An act relating to firefighter and municipal police
3 pensions; amending s. 175.032, F.S.; revising the
4 definition of "firefighter"; amending s. 175.061, F.S.;
5 revising terms of service for the board of trustees of the
6 firefighters' pension trust fund; amending s. 175.071,
7 F.S.; requiring the board of trustees to perform its
8 powers subject to certain fiduciary standards and ethics
9 provisions; revising the investments in which the board of
10 trustees may invest and reinvest the assets of the
11 firefighters' pension trust fund; authorizing two
12 individuals designated by the board to sign drafts issued
13 upon the firefighters' pension trust fund; authorizing the
14 board to establish the maximum age for entrance into the
15 fund; amending s. 185.05, F.S.; revising terms of service
16 for the board of trustees of the municipal police
17 officers' retirement trust fund; amending s. 185.06, F.S.;
18 requiring the board of trustees to perform its powers
19 subject to certain fiduciary standards and ethics
20 provisions; revising the investments in which the board of
21 trustees may invest and reinvest the assets of the
22 retirement trust fund; authorizing two individuals
23 designated by the board to sign drafts issued upon the
24 municipal police officers' retirement trust fund;
25 authorizing the board to establish the maximum age for
26 entrance into the fund; providing for severability;
27 providing an effective date.
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29 Be It Enacted by the Legislature of the State of Florida:

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31 Section 1. Paragraph (a) of subsection (8) of section
 32 175.032, Florida Statutes, is amended to read:

33 175.032 Definitions.--For any municipality, special fire
 34 control district, chapter plan, local law municipality, local
 35 law special fire control district, or local law plan under this
 36 chapter, the following words and phrases have the following
 37 meanings:

38 (8) (a) "Firefighter" means any person employed solely by a
 39 constituted fire department of any municipality or special fire
 40 control district who is certified as a firefighter as a
 41 condition of employment in accordance with the provisions of s.
 42 633.35 and whose duty it is to extinguish fires, to protect
 43 life, or to protect property. "Firefighter" includes all
 44 certified supervisory and command personnel whose duties
 45 include, in whole or in part, the supervision, training,
 46 guidance, and management responsibilities of full-time
 47 firefighters, part-time firefighters, or auxiliary firefighters,
 48 but does not include part-time firefighters or auxiliary
 49 firefighters. However, for purposes of this chapter only,
 50 "firefighter" also includes public safety officers who are
 51 responsible for performing both police and fire services, who
 52 are certified as police officers or firefighters, and who are
 53 certified by their employers to the Chief Financial Officer as
 54 participating in this chapter prior to October 1, 1979.
 55 Effective October 1, 1979, public safety officers who have not
 56 been certified as participating in this chapter shall be

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57 | considered police officers for retirement purposes and shall be
58 | eligible to participate in chapter 185. Any plan may provide
59 | that the fire chief shall have an option to participate, or not,
60 | in that plan.

61 | Section 2. Paragraph (a) of subsection (1) of section
62 | 175.061, Florida Statutes, is amended to read:

63 | 175.061 Board of trustees; members; terms of office;
64 | meetings; legal entity; costs; attorney's fees.--For any
65 | municipality, special fire control district, chapter plan, local
66 | law municipality, local law special fire control district, or
67 | local law plan under this chapter:

68 | (1) In each municipality and in each special fire control
69 | district there is hereby created a board of trustees of the
70 | firefighters' pension trust fund, which shall be solely
71 | responsible for administering the trust fund. Effective October
72 | 1, 1986, and thereafter:

73 | (a) The membership of the board of trustees for a chapter
74 | plan shall consist of five members, two of whom, unless
75 | otherwise prohibited by law, shall be legal residents of the
76 | municipality or special fire control district, who shall be
77 | appointed by the governing body of the municipality or special
78 | fire control district, and two of whom shall be full-time
79 | firefighters as defined in s. 175.032 who shall be elected by a
80 | majority of the active firefighters who are members of such
81 | plan. With respect to any chapter plan or local law plan that,
82 | on January 1, 1997, allowed retired firefighters to vote in such
83 | elections, retirees may continue to vote in such elections. The
84 | fifth member shall be chosen by a majority of the previous four

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85 members as provided for herein, and such person's name shall be
86 submitted to the governing body of the municipality or special
87 fire control district. Upon receipt of the fifth person's name,
88 the governing body of the municipality or special fire control
89 district shall, as a ministerial duty, appoint such person to
90 the board of trustees as its fifth member. The fifth member
91 shall have the same rights as each of the other four members
92 appointed or elected as herein provided, shall serve as trustee
93 for a period of 4 ~~2~~ years, and may succeed himself or herself in
94 office. Each resident member shall serve as trustee for a period
95 of 4 ~~2~~ years, unless sooner replaced by the governing body at
96 whose pleasure he or she shall serve, and may succeed himself or
97 herself as a trustee. Each firefighter member shall serve as
98 trustee for a period of 4 ~~2~~ years, unless he or she sooner
99 leaves the employment of the municipality or special fire
100 control district as a firefighter, whereupon a successor shall
101 be chosen in the same manner as an original appointment. Each
102 firefighter may succeed himself or herself in office.

103 Section 3. Subsection (1) of section 175.071, Florida
104 Statutes, is amended to read:

105 175.071 General powers and duties of board of
106 trustees.--For any municipality, special fire control district,
107 chapter plan, local law municipality, local law special fire
108 control district, or local law plan under this chapter:

109 (1) The board of trustees, subject to the fiduciary
110 standards in ss. 112.661 and 518.11 and the Code of Ethics in
111 ss. 112.311-112.3187, may:

112 (a) Invest and reinvest the assets of the firefighters'
 113 pension trust fund in annuity and life insurance contracts of
 114 life insurance companies in amounts sufficient to provide, in
 115 whole or in part, the benefits to which all of the participants
 116 in the firefighters' pension trust fund shall be entitled under
 117 the provisions of this chapter and pay the initial and
 118 subsequent premiums thereon.

119 (b) Invest and reinvest the assets of the firefighters'
 120 pension trust fund in any lawful investment as provided in the
 121 applicable provisions of s. 215.47(1)-(8), (10), and (16),
 122 provided the investment is permitted in the written investment
 123 policy adopted by the board as provided in part VII of chapter
 124 112.+

125 ~~1. Time or savings accounts of a national bank, a state~~
 126 ~~bank insured by the Bank Insurance Fund, or a savings, building,~~
 127 ~~and loan association insured by the Savings Association~~
 128 ~~Insurance Fund which is administered by the Federal Deposit~~
 129 ~~Insurance Corporation or a state or federal chartered credit~~
 130 ~~union whose share accounts are insured by the National Credit~~
 131 ~~Union Share Insurance Fund.~~

132 ~~2. Obligations of the United States or obligations~~
 133 ~~guaranteed as to principal and interest by the government of the~~
 134 ~~United States.~~

135 ~~3. Bonds issued by the State of Israel.~~

136 ~~4. Bonds, stocks, or other evidences of indebtedness~~
 137 ~~issued or guaranteed by a corporation organized under the laws~~
 138 ~~of the United States, any state or organized territory of the~~
 139 ~~United States, or the District of Columbia, provided.~~

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140 ~~a. The corporation is listed on any one or more of the~~
141 ~~recognized national stock exchanges or on the National Market~~
142 ~~System of the NASDAQ Stock Market and, in the case of bonds~~
143 ~~only, holds a rating in one of the three highest classifications~~
144 ~~by a major rating service; and~~

145 ~~b. The board of trustees shall not invest more than 5~~
146 ~~percent of its assets in the common stock or capital stock of~~
147 ~~any one issuing company, nor shall the aggregate investment in~~
148 ~~any one issuing company exceed 5 percent of the outstanding~~
149 ~~capital stock of that company or the aggregate of its~~
150 ~~investments under this subparagraph at cost exceed 50 percent of~~
151 ~~the assets of the fund.~~

152
153 ~~This paragraph shall apply to all boards of trustees and~~
154 ~~participants. However, in the event that a municipality or~~
155 ~~special fire control district has a duly enacted pension plan~~
156 ~~pursuant to, and in compliance with, s. 175.351, and the~~
157 ~~trustees thereof desire to vary the investment procedures~~
158 ~~herein, the trustees of such plan shall request a variance of~~
159 ~~the investment procedures as outlined herein only through a~~
160 ~~municipal ordinance, special act of the Legislature, or~~
161 ~~resolution by the governing body of the special fire control~~
162 ~~district; where a special act, or a municipality by ordinance~~
163 ~~adopted prior to July 1, 1998, permits a greater than 50 percent~~
164 ~~equity investment, such municipality shall not be required to~~
165 ~~comply with the aggregate equity investment provisions of this~~
166 ~~paragraph. Notwithstanding any other provision of law to the~~
167 ~~contrary, nothing in this section may be construed to take away~~

168 ~~any preexisting legal authority to make equity investments that~~
 169 ~~exceed the requirements of this paragraph. The board of trustees~~
 170 ~~may invest up to 10 percent of plan assets in foreign~~
 171 ~~securities.~~

172 (c) Issue drafts upon the firefighters' pension trust fund
 173 pursuant to this act and rules and regulations prescribed by the
 174 board of trustees. All such drafts shall be consecutively
 175 numbered, be signed by the chair and secretary or two
 176 individuals designated by the board, and state upon their faces
 177 the purpose for which the drafts are drawn. The treasurer or
 178 depository of each municipality or special fire control district
 179 shall retain such drafts when paid, as permanent vouchers for
 180 disbursements made, and no money shall be otherwise drawn from
 181 the fund.

182 (d) Convert into cash any securities of the fund.

183 (e) Keep a complete record of all receipts and
 184 disbursements and of the board's acts and proceedings.

185 (f) Establish the maximum age for entrance into the fund
 186 within the provisions of s. 112.044. In the case of conflict
 187 with any provision of law, this paragraph shall control in all
 188 matters relating to administration of firefighters' pension
 189 trust funds.

190 Section 4. Paragraph (a) of subsection (1) of section
 191 185.05, Florida Statutes, is amended to read:

192 185.05 Board of trustees; members; terms of office;
 193 meetings; legal entity; costs; attorney's fees.--For any
 194 municipality, chapter plan, local law municipality, or local law
 195 plan under this chapter:

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196 (1) In each municipality described in s. 185.03 there is
197 hereby created a board of trustees of the municipal police
198 officers' retirement trust fund, which shall be solely
199 responsible for administering the trust fund. Effective October
200 1, 1986, and thereafter:

201 (a) The membership of the board of trustees for chapter
202 plans shall consist of five members, two of whom, unless
203 otherwise prohibited by law, shall be legal residents of the
204 municipality, who shall be appointed by the legislative body of
205 the municipality, and two of whom shall be police officers as
206 defined in s. 185.02 who shall be elected by a majority of the
207 active police officers who are members of such plan. With
208 respect to any chapter plan or local law plan that, on January
209 1, 1997, allowed retired police officers to vote in such
210 elections, retirees may continue to vote in such elections. The
211 fifth member shall be chosen by a majority of the previous four
212 members, and such person's name shall be submitted to the
213 legislative body of the municipality. Upon receipt of the fifth
214 person's name, the legislative body of the municipality shall,
215 as a ministerial duty, appoint such person to the board of
216 trustees as its fifth member. The fifth member shall have the
217 same rights as each of the other four members appointed or
218 elected as herein provided, shall serve as trustee for a period
219 of 4 ~~2~~ years, and may succeed himself or herself in office. Each
220 resident member shall serve as trustee for a period of 4 ~~2~~
221 years, unless sooner replaced by the legislative body at whose
222 pleasure the member shall serve, and may succeed himself or
223 herself as a trustee. Each police officer member shall serve as

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224 trustee for a period of 4 ~~2~~ years, unless he or she sooner
 225 leaves the employment of the municipality as a police officer,
 226 whereupon the legislative body of the municipality shall choose
 227 a successor in the same manner as an original appointment. Each
 228 police officer may succeed himself or herself in office.

229 Section 5. Subsection (1) of section 185.06, Florida
 230 Statutes, is amended to read:

231 185.06 General powers and duties of board of
 232 trustees.--For any municipality, chapter plan, local law
 233 municipality, or local law plan under this chapter:

234 (1) The board of trustees, subject to the fiduciary
 235 standards in ss. 112.661 and 518.11 and the Code of Ethics in
 236 ss. 112.311-112.3187, may:

237 (a) Invest and reinvest the assets of the retirement trust
 238 fund in annuity and life insurance contracts of life insurance
 239 companies in amounts sufficient to provide, in whole or in part,
 240 the benefits to which all of the participants in the municipal
 241 police officers' retirement trust fund shall be entitled under
 242 the provisions of this chapter, and pay the initial and
 243 subsequent premiums thereon.

244 (b) Invest and reinvest the assets of the retirement trust
 245 fund in any lawful investment as provided in the applicable
 246 provisions of s. 215.47(1)-(8), (10), and (16), provided the
 247 investment is permitted in the written investment policy adopted
 248 by the board as provided in part VII of chapter 112.+

249 ~~1. Time or savings accounts of a national bank, a state~~
 250 ~~bank insured by the Bank Insurance Fund, or a savings and loan~~
 251 ~~association insured by the Savings Association Insurance Fund~~

252 ~~which is administered by the Federal Deposit Insurance~~
 253 ~~Corporation or a state or federal chartered credit union whose~~
 254 ~~share accounts are insured by the National Credit Union Share~~
 255 ~~Insurance Fund.~~

256 ~~2. Obligations of the United States or obligations~~
 257 ~~guaranteed as to principal and interest by the United States.~~

258 ~~3. Bonds issued by the State of Israel.~~

259 ~~4. Bonds, stocks, or other evidences of indebtedness~~
 260 ~~issued or guaranteed by a corporation organized under the laws~~
 261 ~~of the United States, any state or organized territory of the~~
 262 ~~United States, or the District of Columbia, provided:~~

263 ~~a. The corporation is listed on any one or more of the~~
 264 ~~recognized national stock exchanges or on the National Market~~
 265 ~~System of the NASDAQ Stock Market and, in the case of bonds~~
 266 ~~only, holds a rating in one of the three highest classifications~~
 267 ~~by a major rating service; and~~

268 ~~b. The board of trustees shall not invest more than 5~~
 269 ~~percent of its assets in the common stock or capital stock of~~
 270 ~~any one issuing company, nor shall the aggregate investment in~~
 271 ~~any one issuing company exceed 5 percent of the outstanding~~
 272 ~~capital stock of the company or the aggregate of its investments~~
 273 ~~under this subparagraph at cost exceed 50 percent of the fund's~~
 274 ~~assets.~~

275
 276 ~~This paragraph shall apply to all boards of trustees and~~
 277 ~~participants. However, in the event that a municipality has a~~
 278 ~~duly enacted pension plan pursuant to, and in compliance with,~~
 279 ~~s. 185.35 and the trustees thereof desire to vary the investment~~

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280 ~~procedures herein, the trustees of such plan shall request a~~
281 ~~variance of the investment procedures as outlined herein only~~
282 ~~through a municipal ordinance or special act of the Legislature,~~
283 ~~where a special act, or a municipality by ordinance adopted~~
284 ~~prior to July 1, 1998, permits a greater than 50 percent equity~~
285 ~~investment, such municipality shall not be required to comply~~
286 ~~with the aggregate equity investment provisions of this~~
287 ~~paragraph. Notwithstanding any other provision of law to the~~
288 ~~contrary, nothing in this section may be construed to take away~~
289 ~~any preexisting legal authority to make equity investments that~~
290 ~~exceed the requirements of this paragraph. The board of trustees~~
291 ~~may invest up to 10 percent of plan assets in foreign~~
292 ~~securities.~~

293 (c) Issue drafts upon the municipal police officers'
294 retirement trust fund pursuant to this act and rules and
295 regulations prescribed by the board of trustees. All such drafts
296 shall be consecutively numbered, be signed by the chair and
297 secretary or two individuals designated by the board, and state
298 upon their faces the purposes for which the drafts are drawn.
299 The city treasurer or other depository shall retain such drafts
300 when paid, as permanent vouchers for disbursements made, and no
301 money shall otherwise be drawn from the fund.

302 (d) Finally decide all claims to relief under the board's
303 rules and regulations and pursuant to the provisions of this
304 act.

305 (e) Convert into cash any securities of the fund.

306 (f) Keep a complete record of all receipts and
307 disbursements and of the board's acts and proceedings.

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308 (g) Establish the maximum age for entrance into the fund
309 within the provisions of s. 112.044. In the case of conflict
310 with any provision of law, this paragraph shall control in all
311 matters relating to administration of municipal police officers'
312 retirement trust funds.

313 Section 6. If any provision of this act or its application
314 to any person or circumstance is held invalid, the invalidity
315 does not affect other provisions or applications of the act
316 which can be given effect without the invalid provision or
317 application, and to this end the provisions of this act are
318 severable.

319 Section 7. This act shall take effect July 1, 2006.