

By Senator Baker

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1 A bill to be entitled
2 An act relating to firefighters and municipal police
3 officers; amending s. 175.032, F.S.; revising the
4 definition of the term "creditable service" for
5 purposes of determining credit for prior service as a
6 firefighter; revising the definition of the term
7 "firefighter"; amending s. 175.061, F.S.; authorizing
8 the terms of office for the board of trustees of the
9 firefighters' pension trust fund to be revised under
10 certain circumstances; authorizing the firefighters'
11 pension trust fund plan administrator to withhold
12 funds to pay for premiums for accident, health, and
13 long-term care insurance for the retiree and the
14 retiree's spouse and dependents; providing an
15 exemption from liability under certain circumstances;
16 amending s. 175.071, F.S.; requiring the board of
17 trustees to perform its powers subject to certain
18 fiduciary standards and ethics provisions; increasing
19 the percentage of assets of the firefighters' pension
20 trust fund that the board of trustees may invest in
21 foreign securities on a market-value basis;
22 authorizing certain individuals to sign drafts issued
23 upon the firefighters' pension trust fund; amending s.
24 175.101, F.S.; clarifying boundaries of a special fire
25 control district for purposes of assessment and
26 imposition of the excise tax on property insurance
27 premiums; amending s. 175.171, F.S.; authorizing
28 retired firefighters to change their designation of
29 joint annuitant or beneficiary up to two times without

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30 the approval of the board of trustees or the prior
31 joint annuitant or beneficiary; amending s. 175.361,
32 F.S.; revising fund distribution procedures with
33 respect to plan termination; providing that the
34 Department of Management Services shall effect the
35 termination of the fund; amending s. 185.02, F.S.;
36 revising the definition of the term "creditable
37 service" for purposes of determining credit for prior
38 service as a police officer; amending s. 185.03, F.S.;
39 providing that a municipality that has entered into an
40 interlocal agreement to provide police protection
41 services to another incorporated municipality, in its
42 entirety, is eligible to receive the premium taxes
43 reported for the other municipality under certain
44 circumstances; authorizing the municipality receiving
45 the police protection services to enact an ordinance
46 levying a tax as provided by law; amending s. 185.05,
47 F.S.; revising municipal police officers' retirement
48 trust fund board of trustee selection procedures;
49 authorizing the terms of office for the board of
50 trustees of the municipal police officers' retirement
51 trust fund to be revised under certain circumstances;
52 authorizing the plan administrator to withhold funds
53 to pay for premiums for accident, health, and long-
54 term care insurance for the retiree and the retiree's
55 spouse and dependents; providing an exemption from
56 liability under certain circumstances; amending s.
57 185.06, F.S.; requiring the board of trustees to
58 perform its powers subject to certain fiduciary

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59 standards and ethics provisions; increasing the
60 percentage of assets of the municipal police officers'
61 retirement trust fund that the board of trustees may
62 invest in foreign securities on a market-value basis;
63 authorizing certain individuals to sign drafts issued
64 upon the municipal police officers' retirement trust
65 fund; amending s. 185.08, F.S.; authorizing certain
66 municipalities to assess and impose the excise tax on
67 casualty insurance premiums to receive certain police
68 protection services; providing for distribution of
69 premium tax proceeds; amending s. 185.161, F.S.;

70 authorizing retired police officers to change their
71 designation of joint annuitant or beneficiary up to
72 two times without the approval of the board of
73 trustees or the prior joint annuitant or beneficiary;
74 amending s. 185.37, F.S.; revising fund distribution
75 procedures with respect to plan termination; providing
76 that the Department of Management Services shall
77 effect the termination of the fund; providing an
78 effective date.

79
80 Be It Enacted by the Legislature of the State of Florida:

81
82 Section 1. Paragraph (c) of subsection (4) and paragraph
83 (a) of subsection (8) of section 175.032, Florida Statutes, are
84 amended to read:

85 175.032 Definitions.—For any municipality, special fire
86 control district, chapter plan, local law municipality, local
87 law special fire control district, or local law plan under this

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88 chapter, the following words and phrases have the following
89 meanings:

90 (4) "Creditable service" or "credited service" means the
91 aggregate number of years of service, and fractional parts of
92 years of service, of any firefighter, omitting intervening years
93 and fractional parts of years when such firefighter may not have
94 been employed by the municipality or special fire control
95 district, subject to the following conditions:

96 (c) Credited service under this chapter shall be provided
97 only for service as a firefighter, as defined in subsection (8),
98 or for military service and shall not include credit for any
99 other type of service. A municipality may, by local ordinance,
100 or a special fire control district may, by resolution, provide
101 for the purchase of credit for military service prior to
102 employment as well as for prior service as a firefighter for
103 some other employer as long as a firefighter is not entitled to
104 receive a benefit for such other prior service as a firefighter.
105 For purposes of determining credit for prior service as a
106 firefighter, in addition to service as a firefighter in this
107 state, credit may be given for federal, other state, or county
108 service, as long as such prior fire service is recognized by the
109 Division of State Fire Marshal as provided under chapter 633 or
110 the firefighter provides proof to the board of trustees that
111 such service is equivalent to the service required to meet the
112 definition of a firefighter under subsection (8).

113 (8) (a) "Firefighter" means any person employed solely by a
114 constituted fire department of any municipality or special fire
115 control district who is certified as a firefighter as a
116 condition of employment in accordance with the provisions of s.

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117 633.35 and whose duty it is to extinguish fires, to protect
118 life, or to protect property. "Firefighter" includes all
119 certified supervisory and command personnel whose duties
120 include, in whole or in part, the supervision, training,
121 guidance, and management responsibilities of full-time
122 firefighters, part-time firefighters, or auxiliary firefighters
123 but does not include part-time firefighters or auxiliary
124 firefighters. However, for purposes of this chapter only,
125 "firefighter" also includes public safety officers who are
126 responsible for performing both police and fire services, who
127 are certified as police officers or firefighters, and who are
128 certified by their employers to the Chief Financial Officer as
129 participating in this chapter prior to October 1, 1979.
130 Effective October 1, 1979, public safety officers who have not
131 been certified as participating in this chapter shall be
132 considered police officers for retirement purposes and shall be
133 eligible to participate in chapter 185. Any plan may provide
134 that the fire chief shall have an option to participate, or not,
135 in that plan.

136 Section 2. Paragraph (a) of subsection (1) and subsection
137 (7) of section 175.061, Florida Statutes, are amended to read:

138 175.061 Board of trustees; members; terms of office;
139 meetings; legal entity; costs; attorney's fees.—For any
140 municipality, special fire control district, chapter plan, local
141 law municipality, local law special fire control district, or
142 local law plan under this chapter:

143 (1) In each municipality and in each special fire control
144 district there is hereby created a board of trustees of the
145 firefighters' pension trust fund, which shall be solely

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146 responsible for administering the trust fund. Effective October
147 1, 1986, and thereafter:

148 (a) The membership of the board of trustees for a chapter
149 plan shall consist of five members, two of whom, unless
150 otherwise prohibited by law, shall be legal residents of the
151 municipality or special fire control district, who shall be
152 appointed by the governing body of the municipality or special
153 fire control district, and two of whom shall be full-time
154 firefighters as defined in s. 175.032 who shall be elected by a
155 majority of the active firefighters who are members of such
156 plan. With respect to any chapter plan or local law plan that,
157 on January 1, 1997, allowed retired firefighters to vote in such
158 elections, retirees may continue to vote in such elections. The
159 fifth member shall be chosen by a majority of the previous four
160 members as provided for herein, and such person's name shall be
161 submitted to the governing body of the municipality or special
162 fire control district. Upon receipt of the fifth person's name,
163 the governing body of the municipality or special fire control
164 district shall, as a ministerial duty, appoint such person to
165 the board of trustees as its fifth member. The fifth member
166 shall have the same rights as each of the other four members
167 appointed or elected as herein provided, shall serve as trustee
168 for a period of 2 years, and may succeed himself or herself in
169 office. Each resident member shall serve as trustee for a period
170 of 2 years, unless sooner replaced by the governing body at
171 whose pleasure he or she shall serve, and may succeed himself or
172 herself as a trustee. Each firefighter member shall serve as
173 trustee for a period of 2 years, unless he or she sooner leaves
174 the employment of the municipality or special fire control

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175 district as a firefighter, whereupon a successor shall be chosen
176 in the same manner as an original appointment. Each firefighter
177 may succeed himself or herself in office. The terms of office of
178 the appointed and elected members of the board of trustees may
179 be amended by municipal ordinance, special act of the
180 Legislature, or resolution adopted by the governing body of the
181 special fire control district to extend the terms of office from
182 2 years to 4 years. The length of the terms of office shall be
183 the same for all board members.

184 (7) The board of trustees may, upon written request by the
185 retiree of the plan, or by a dependent, when authorized by the
186 retiree or the retiree's beneficiary, authorize the plan
187 administrator to withhold from the monthly retirement payment
188 those funds that are necessary to pay for the benefits being
189 received through the governmental entity from which the employee
190 retired, to pay the certified bargaining agent of the
191 governmental entity, and to make any payments for child support
192 or alimony. Further, the board of trustees may, upon the written
193 request of the retiree of the plan, authorize the plan
194 administrator to withhold from the retirement payment those
195 funds that are necessary to pay for premiums for accident,
196 health, and long-term care insurance for the retiree and the
197 retiree's spouse and dependents. A retirement plan does not
198 incur any liability for participation in this permissive program
199 if its actions are taken in good faith.

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

202 175.071 General powers and duties of board of trustees.—For
203 any municipality, special fire control district, chapter plan,

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204 local law municipality, local law special fire control district,
205 or local law plan under this chapter:

206 (1) The board of trustees, subject to the fiduciary
207 standards in ss. 112.656, 112.661, and 518.11 and the Code of
208 Ethics in ss. 112.311-112.3187, may:

209 (a) Invest and reinvest the assets of the firefighters'
210 pension trust fund in annuity and life insurance contracts of
211 life insurance companies in amounts sufficient to provide, in
212 whole or in part, the benefits to which all of the participants
213 in the firefighters' pension trust fund shall be entitled under
214 the provisions of this chapter and pay the initial and
215 subsequent premiums thereon.

216 (b) Invest and reinvest the assets of the firefighters'
217 pension trust fund in:

218 1. Time or savings accounts of a national bank, a state
219 bank insured by the Bank Insurance Fund, or a savings, building,
220 and loan association insured by the Savings Association
221 Insurance Fund which is administered by the Federal Deposit
222 Insurance Corporation or a state or federal chartered credit
223 union whose share accounts are insured by the National Credit
224 Union Share Insurance Fund.

225 2. Obligations of the United States or obligations
226 guaranteed as to principal and interest by the government of the
227 United States.

228 3. Bonds issued by the State of Israel.

229 4. Bonds, stocks, or other evidences of indebtedness issued
230 or guaranteed by a corporation organized under the laws of the
231 United States, any state or organized territory of the United
232 States, or the District of Columbia, provided:

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233 a. The corporation is listed on any one or more of the
234 recognized national stock exchanges or on the National Market
235 System of the NASDAQ Stock Market and, in the case of bonds
236 only, holds a rating in one of the three highest classifications
237 by a major rating service; and

238 b. The board of trustees shall not invest more than 5
239 percent of its assets in the common stock or capital stock of
240 any one issuing company, nor shall the aggregate investment in
241 any one issuing company exceed 5 percent of the outstanding
242 capital stock of that company or the aggregate of its
243 investments under this subparagraph at cost exceed 50 percent of
244 the assets of the fund.

245
246 This paragraph shall apply to all boards of trustees and
247 participants. However, in the event that a municipality or
248 special fire control district has a duly enacted pension plan
249 pursuant to, and in compliance with, s. 175.351, and the
250 trustees thereof desire to vary the investment procedures
251 herein, the trustees of such plan shall request a variance of
252 the investment procedures as outlined herein only through a
253 municipal ordinance, special act of the Legislature, or
254 resolution by the governing body of the special fire control
255 district; where a special act, or a municipality by ordinance
256 adopted prior to July 1, 1998, permits a greater than 50-percent
257 equity investment, such municipality shall not be required to
258 comply with the aggregate equity investment provisions of this
259 paragraph. Notwithstanding any other provision of law to the
260 contrary, nothing in this section may be construed to take away
261 any preexisting legal authority to make equity investments that

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262 exceed the requirements of this paragraph. Notwithstanding any
263 law to the contrary, the board of trustees may invest up to 25
264 10 percent of plan assets in foreign securities on a market-
265 value basis.

266 (c) Issue drafts upon the firefighters' pension trust fund
267 pursuant to this act and rules and regulations prescribed by the
268 board of trustees. All such drafts shall be consecutively
269 numbered, be signed by the chair and secretary or by two
270 individuals designated by the board who are subject to the same
271 fiduciary standards as required for the board of trustees under
272 this subsection, and state upon their faces the purpose for
273 which the drafts are drawn. The treasurer or depository of each
274 municipality or special fire control district shall retain such
275 drafts when paid, as permanent vouchers for disbursements made,
276 and no money shall be otherwise drawn from the fund.

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

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

280 Section 4. Subsection (1) of section 175.101, Florida
281 Statutes, is amended to read:

282 175.101 State excise tax on property insurance premiums
283 authorized; procedure.—For any municipality, special fire
284 control district, chapter plan, local law municipality, local
285 law special fire control district, or local law plan under this
286 chapter:

287 (1) Each municipality or special fire control district in
288 this state described and classified in s. 175.041, having a
289 lawfully established firefighters' pension trust fund or
290 municipal fund or special fire control district fund, by

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291 whatever name known, providing pension benefits to firefighters
292 as provided under this chapter, may assess and impose on every
293 insurance company, corporation, or other insurer now engaged in
294 or carrying on, or who shall hereinafter engage in or carry on,
295 the business of property insurance as shown by the records of
296 the Office of Insurance Regulation of the Financial Services
297 Commission an excise tax in addition to any lawful license or
298 excise tax now levied by each of the municipalities or special
299 fire control districts, respectively, amounting to 1.85 percent
300 of the gross amount of receipts of premiums from policyholders
301 on all premiums collected on property insurance policies
302 covering property within the corporate limits of such
303 municipalities or within the legally defined boundaries of
304 special fire control districts, respectively. Whenever the
305 boundaries of a special fire control district that has lawfully
306 established a firefighters' pension trust fund encompass a
307 portion of the corporate territory of a municipality that has
308 also lawfully established a firefighters' pension trust fund,
309 that portion of the tax receipts attributable to insurance
310 policies covering property situated both within the municipality
311 and the special fire control district shall be given to the fire
312 service provider. For the purpose of this section, the
313 boundaries of a special fire control district shall be deemed to
314 include an area that has been annexed until the completion of
315 the 4-year period provided for in s. 171.093(4), or other
316 agreed-upon extension, or when a special fire control district
317 is providing services pursuant to an interlocal agreement
318 executed pursuant to s. 171.093(3). The agent shall identify the
319 fire service provider on the property owner's application for

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320 insurance. Remaining revenues collected pursuant to this chapter
321 shall be distributed to the municipality or special fire control
322 district according to the location of the insured property.

323
324 This section also applies to any municipality consisting of a
325 single consolidated government which is made up of a former
326 county and one or more municipalities, consolidated pursuant to
327 the authority in s. 3 or s. 6(e), Art. VIII of the State
328 Constitution, and to property insurance policies covering
329 property within the boundaries of the consolidated government,
330 regardless of whether the properties are located within one or
331 more separately incorporated areas within the consolidated
332 government, provided the properties are being provided fire
333 protection services by the consolidated government. This section
334 also applies to any municipality, as provided in s.

335 175.041(3)(c), which has entered into an interlocal agreement to
336 receive fire protection services from another municipality
337 participating under this chapter. The excise tax may be levied
338 on all premiums collected on property insurance policies
339 covering property located within the corporate limits of the
340 municipality receiving the fire protection services, but will be
341 available for distribution to the municipality providing the
342 fire protection services.

343 Section 5. Paragraph (c) of subsection (1) of section
344 175.171, Florida Statutes, is amended to read:

345 175.171 Optional forms of retirement income.—For any
346 municipality, special fire control district, chapter plan, local
347 law municipality, local law special fire control district, or
348 local law plan under this chapter:

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349 (1) In lieu of the amount and form of retirement income
350 payable in the event of normal or early retirement as specified
351 in s. 175.162, a firefighter, upon written request to the board
352 of trustees and subject to the approval of the board of
353 trustees, may elect to receive a retirement income or benefit of
354 equivalent actuarial value payable in accordance with one of the
355 following options:

356 (c) Such other amount and form of retirement payments or
357 benefits as, in the opinion of the board of trustees, will best
358 meet the circumstances of the retiring firefighter.

359 1. The firefighter upon electing any option of this section
360 will designate the joint pensioner or beneficiary (or
361 beneficiaries) to receive the benefit, if any, payable under the
362 plan in the event of his or her death, and will have the power
363 to change such designation from time to time, but any such
364 change shall be deemed a new election and will be subject to
365 approval by the board of trustees. Such designation will name a
366 joint pensioner or one or more primary beneficiaries where
367 applicable. If a firefighter has elected an option with a joint
368 pensioner or beneficiary and his or her retirement income
369 benefits have commenced, the firefighter may thereafter change
370 the designated joint pensioner or beneficiary, but only if the
371 board of trustees consents to such change and if the joint
372 pensioner last previously designated by the firefighter is alive
373 when the firefighter files with the board of trustees a request
374 for such change.

375 2. The consent of a firefighter's joint pensioner or
376 beneficiary to any such change shall not be required.

377 3. The board of trustees may request such evidence of the

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378 good health of the joint pensioner that is being removed as it
379 may require and the amount of the retirement income payable to
380 the firefighter upon designation of a new joint pensioner shall
381 be actuarially redetermined taking into account the age and sex
382 of the former joint pensioner, the new joint pensioner, and the
383 firefighter. Each such designation will be made in writing on a
384 form prepared by the board of trustees and on completion will be
385 filed with the board of trustees. In the event that no
386 designated beneficiary survives the firefighter, such benefits
387 as are payable in the event of the death of the firefighter
388 subsequent to his or her retirement shall be paid as provided in
389 s. 175.181.

390 4. Notwithstanding the provisions of this paragraph, the
391 retired firefighter may change his or her designation of joint
392 annuitant or beneficiary up to two times as provided in s.
393 175.333 without the approval of the board of trustees or the
394 prior joint annuitant or beneficiary. The retiree does not have
395 to provide proof of good health of the joint annuitant or
396 beneficiary being removed, and the joint annuitant or
397 beneficiary being removed does not have to be living.

398 Section 6. Section 175.361, Florida Statutes, is amended to
399 read:

400 175.361 Termination of plan and distribution of fund.—For
401 any municipality, special fire control district, chapter plan,
402 local law municipality, local law special fire control district,
403 or local law plan under this chapter, the plan may be terminated
404 by the municipality or special fire control district. Upon
405 termination of the plan by the municipality or special fire
406 control district for any reason or because of a transfer,

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407 merger, or consolidation of governmental units, services, or
408 functions as provided in chapter 121, or upon written notice by
409 the municipality or special fire control district to the board
410 of trustees that contributions under the plan are being
411 permanently discontinued, the rights of all employees to
412 benefits accrued to the date of such termination and the amounts
413 credited to the employees' accounts are nonforfeitable. The fund
414 shall be ~~apportioned~~ and distributed in accordance with the
415 following procedures:

416 (1) The board of trustees shall determine the date of
417 distribution and the asset value required to fund all the
418 nonforfeitable benefits ~~to be distributed~~, after taking into
419 account the expenses of such distribution. The board shall
420 inform the municipality or special fire control district if
421 additional assets are required, in which event the municipality
422 or special fire control district shall continue to financially
423 support the plan until all nonforfeitable benefits have been
424 funded.

425 (2) The board of trustees shall determine the method of
426 distribution of the asset value, that is, whether distribution
427 shall be by payment in cash, by the maintenance of another or
428 substituted trust fund, by the purchase of insured annuities, or
429 otherwise, for each firefighter entitled to benefits under the
430 plan as specified in subsection (3).

431 (3) The board of trustees shall distribute ~~apportion~~ the
432 asset value as of the date of termination in the manner set
433 forth in this subsection, on the basis that the amount required
434 to provide any given retirement income shall mean the
435 actuarially computed single-sum value of such retirement income,

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436 except that if the method of distribution determined under
437 subsection (2) involves the purchase of an insured annuity, the
438 amount required to provide the given retirement income shall
439 mean the single premium payable for such annuity. The actuarial
440 single-sum value shall not be less than the employee's
441 accumulated contributions to the plan, with interest if provided
442 by the plan, less the value of any plan benefits previously paid
443 to the employee.

444 ~~(a) Apportionment shall first be made in respect of each~~
445 ~~retired firefighter receiving a retirement income hereunder on~~
446 ~~such date, each person receiving a retirement income on such~~
447 ~~date on account of a retired (but since deceased) firefighter,~~
448 ~~and each firefighter who has, by such date, become eligible for~~
449 ~~normal retirement but has not yet retired, in the amount~~
450 ~~required to provide such retirement income, provided that, if~~
451 ~~such asset value is less than the aggregate of such amounts,~~
452 ~~such amounts shall be proportionately reduced so that the~~
453 ~~aggregate of such reduced amounts will be equal to such asset~~
454 ~~value.~~

455 ~~(b) If there is any asset value remaining after the~~
456 ~~apportionment under paragraph (a), apportionment shall next be~~
457 ~~made in respect of each firefighter in the service of the~~
458 ~~municipality or special fire control district on such date who~~
459 ~~has completed at least 10 years of credited service, in the~~
460 ~~firefighters' pension trust fund for at least 10 years, and who~~
461 ~~is not entitled to an apportionment under paragraph (a), in the~~
462 ~~amount required to provide the actuarial equivalent of the~~
463 ~~accrued normal retirement income, based on the firefighter's~~
464 ~~credited service and earnings to such date, and each former~~

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465 ~~participant then entitled to a benefit under the provisions of~~
466 ~~s. 175.211 who has not by such date reached his or her normal~~
467 ~~retirement date, in the amount required to provide the actuarial~~
468 ~~equivalent of the accrued normal retirement income to which he~~
469 ~~or she is entitled under s. 175.211; provided that, if such~~
470 ~~remaining asset value is less than the aggregate of the amounts~~
471 ~~apportioned hereunder, such latter amounts shall be~~
472 ~~proportionately reduced so that the aggregate of such reduced~~
473 ~~amounts will be equal to such remaining asset value.~~

474 ~~(c) If there is any asset value after the apportionments~~
475 ~~under paragraphs (a) and (b), apportionment shall lastly be made~~
476 ~~in respect of each firefighter in the service of the~~
477 ~~municipality or special fire control district on such date who~~
478 ~~is not entitled to an apportionment under paragraphs (a) and (b)~~
479 ~~in the amount equal to the firefighter's total contributions to~~
480 ~~the plan to date of termination; provided that, if such~~
481 ~~remaining asset value is less than the aggregate of the amounts~~
482 ~~apportioned hereunder, such latter amounts shall be~~
483 ~~proportionately reduced so that the aggregate of such reduced~~
484 ~~amounts will be equal to such remaining asset value.~~

485 ~~(4)(d)~~ In the event that there is asset value remaining
486 after the full distribution ~~apportionment~~ specified in
487 subsection (3), and after the payment of any expenses incurred
488 with such distribution ~~paragraphs (a), (b), and (c)~~, such excess
489 shall be returned to the municipality or special fire control
490 district, less return to the state of the state's contributions,
491 provided that, if the excess is less than the total
492 contributions made by the municipality or special fire control
493 district and the state to date of termination of the plan, such

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494 excess shall be divided proportionately to the total
495 contributions made by the municipality or special fire control
496 district and the state.

497 (5)~~(4)~~ The board of trustees shall distribute, in
498 accordance with the manner of distribution determined under
499 subsection (2), the amounts determined ~~apportioned~~ under
500 subsection (3).

501

502 If, after a period of 24 months after the date on which the plan
503 terminated or the date on which the board received written
504 notice that the contributions thereunder were being permanently
505 discontinued, the municipality or special fire control district
506 or the board of trustees of the firefighters' pension trust fund
507 affected has not complied with all the provisions in this
508 section, the Department of Management Services ~~division~~ shall
509 effect the termination of the fund in accordance with this
510 section.

511 Section 7. Paragraph (c) of subsection (5) of section
512 185.02, Florida Statutes, is amended to read:

513 185.02 Definitions.—For any municipality, chapter plan,
514 local law municipality, or local law plan under this chapter,
515 the following words and phrases as used in this chapter shall
516 have the following meanings, unless a different meaning is
517 plainly required by the context:

518 (5) "Creditable service" or "credited service" means the
519 aggregate number of years of service and fractional parts of
520 years of service of any police officer, omitting intervening
521 years and fractional parts of years when such police officer may
522 not have been employed by the municipality subject to the

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523 following conditions:

524 (c) Credited service under this chapter shall be provided
525 only for service as a police officer, as defined in subsection
526 (11), or for military service and shall not include credit for
527 any other type of service. A municipality may, by local
528 ordinance, provide for the purchase of credit for military
529 service occurring prior to employment as well as prior service
530 as a police officer for some other employer as long as the
531 police officer is not entitled to receive a benefit for such
532 other prior service as a police officer. For purposes of
533 determining credit for prior service as a police officer, in
534 addition to service as a police officer in this state, credit
535 may be given for federal, other state, or county service, as
536 long as such prior police service is recognized by the Criminal
537 Justice Standards and Training Commission within the Department
538 of Law Enforcement as provided under chapter 943 or the police
539 officer provides proof to the board of trustees that such
540 service is equivalent to the service required to meet the
541 definition of a police officer under subsection (11).

542 Section 8. Subsection (2) of section 185.03, Florida
543 Statutes, is amended to read:

544 185.03 Municipal police officers' retirement trust funds;
545 creation; applicability of provisions; participation by public
546 safety officers.—For any municipality, chapter plan, local law
547 municipality, or local law plan under this chapter:

548 (2) (a) ~~The provisions of This chapter applies shall apply~~
549 ~~only to municipalities organized and established under pursuant~~
550 ~~to the laws of the state, and does said provisions shall not~~
551 ~~apply to the unincorporated areas of any county or counties or~~

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552 ~~nor shall the provisions hereof apply~~ to any governmental entity
553 whose police officers are eligible to participate in the Florida
554 Retirement System.

555 (b) A municipality that has entered into an interlocal
556 agreement to provide police protection services to any other
557 incorporated municipality, in its entirety, for a period of 12
558 months or more may be eligible to receive the premium taxes
559 reported for such other municipality. To be eligible for the
560 premium taxes, the municipality providing the police protection
561 services must notify the division that it has entered into an
562 interlocal agreement with another municipality. The municipality
563 receiving the police protection services may enact an ordinance
564 levying the tax as provided in s. 185.08. Upon being provided
565 copies of the interlocal agreement and the municipal ordinance
566 levying the tax, the division may distribute any premium taxes
567 reported for the municipality receiving the police protection
568 services to the participating municipality providing the police
569 protection services as long as the interlocal agreement is in
570 effect.

571 Section 9. Paragraph (a) of subsection (1) and subsection
572 (6) of section 185.05, Florida Statutes, are amended to read:

573 185.05 Board of trustees; members; terms of office;
574 meetings; legal entity; costs; attorney's fees.—For any
575 municipality, chapter plan, local law municipality, or local law
576 plan under this chapter:

577 (1) In each municipality described in s. 185.03 there is
578 hereby created a board of trustees of the municipal police
579 officers' retirement trust fund, which shall be solely
580 responsible for administering the trust fund. Effective October

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581 1, 1986, and thereafter:

582 (a) The membership of the board of trustees for chapter
583 plans shall consist of five members, two of whom, unless
584 otherwise prohibited by law, shall be legal residents of the
585 municipality, who shall be appointed by the legislative body of
586 the municipality, and two of whom shall be police officers as
587 defined in s. 185.02 who shall be elected by a majority of the
588 active police officers who are members of such plan. With
589 respect to any chapter plan or local law plan that, on January
590 1, 1997, allowed retired police officers to vote in such
591 elections, retirees may continue to vote in such elections. The
592 fifth member shall be chosen by a majority of the previous four
593 members, and such person's name shall be submitted to the
594 legislative body of the municipality. Upon receipt of the fifth
595 person's name, the legislative body of the municipality shall,
596 as a ministerial duty, appoint such person to the board of
597 trustees as its fifth member. The fifth member shall have the
598 same rights as each of the other four members appointed or
599 elected as herein provided, shall serve as trustee for a period
600 of 2 years, and may succeed himself or herself in office. Each
601 resident member shall serve as trustee for a period of 2 years,
602 unless sooner replaced by the legislative body at whose pleasure
603 the member shall serve, and may succeed himself or herself as a
604 trustee. Each police officer member shall serve as trustee for a
605 period of 2 years, unless he or she sooner leaves the employment
606 of the municipality as a police officer, whereupon ~~the~~
607 ~~legislative body of the municipality shall choose~~ a successor
608 shall be chosen in the same manner as an original appointment.
609 Each police officer may succeed himself or herself in office.

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610 The terms of office of the appointed and elected members of the
611 board of trustees may be amended by municipal ordinance or
612 special act of the Legislature to extend the terms of office
613 from 2 years to 4 years. The length of the terms of office shall
614 be the same for all board members.

615 (6) The board of trustees may, upon written request by the
616 retiree of the plan, or by a dependent, when authorized by the
617 retiree or the retiree's beneficiary, authorize the plan
618 administrator to withhold from the monthly retirement payment
619 those funds that are necessary to pay for the benefits being
620 received through the governmental entity from which the employee
621 retired, to pay the certified bargaining agent of the
622 governmental entity, and to make any payments for child support
623 or alimony. Further, the board of trustees may, upon the written
624 request of the retiree of the plan, authorize the plan
625 administrator to withhold from the retirement payment those
626 funds that are necessary to pay for premiums for accident,
627 health, and long-term care insurance for the retiree and the
628 retiree's spouse and dependents. A retirement plan does not
629 incur any liability for participation in this permissive program
630 if its actions are taken in good faith.

631 Section 10. Subsection (1) of section 185.06, Florida
632 Statutes, is amended to read:

633 185.06 General powers and duties of board of trustees.—For
634 any municipality, chapter plan, local law municipality, or local
635 law plan under this chapter:

636 (1) The board of trustees, subject to the fiduciary
637 standards in ss. 112.656, 112.661, and 518.11 and the Code of
638 Ethics in ss. 112.311-112.3187, may:

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639 (a) Invest and reinvest the assets of the retirement trust
640 fund in annuity and life insurance contracts of life insurance
641 companies in amounts sufficient to provide, in whole or in part,
642 the benefits to which all of the participants in the municipal
643 police officers' retirement trust fund shall be entitled under
644 the provisions of this chapter, and pay the initial and
645 subsequent premiums thereon.

646 (b) Invest and reinvest the assets of the retirement trust
647 fund in:

648 1. Time or savings accounts of a national bank, a state
649 bank insured by the Bank Insurance Fund, or a savings and loan
650 association insured by the Savings Association Insurance Fund
651 which is administered by the Federal Deposit Insurance
652 Corporation or a state or federal chartered credit union whose
653 share accounts are insured by the National Credit Union Share
654 Insurance Fund.

655 2. Obligations of the United States or obligations
656 guaranteed as to principal and interest by the United States.

657 3. Bonds issued by the State of Israel.

658 4. Bonds, stocks, or other evidences of indebtedness issued
659 or guaranteed by a corporation organized under the laws of the
660 United States, any state or organized territory of the United
661 States, or the District of Columbia, provided:

662 a. The corporation is listed on any one or more of the
663 recognized national stock exchanges or on the National Market
664 System of the NASDAQ Stock Market and, in the case of bonds
665 only, holds a rating in one of the three highest classifications
666 by a major rating service; and

667 b. The board of trustees shall not invest more than 5

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668 percent of its assets in the common stock or capital stock of
669 any one issuing company, nor shall the aggregate investment in
670 any one issuing company exceed 5 percent of the outstanding
671 capital stock of the company or the aggregate of its investments
672 under this subparagraph at cost exceed 50 percent of the fund's
673 assets.

674
675 This paragraph shall apply to all boards of trustees and
676 participants. However, in the event that a municipality has a
677 duly enacted pension plan pursuant to, and in compliance with,
678 s. 185.35 and the trustees thereof desire to vary the investment
679 procedures herein, the trustees of such plan shall request a
680 variance of the investment procedures as outlined herein only
681 through a municipal ordinance or special act of the Legislature;
682 where a special act, or a municipality by ordinance adopted
683 prior to July 1, 1998, permits a greater than 50-percent equity
684 investment, such municipality shall not be required to comply
685 with the aggregate equity investment provisions of this
686 paragraph. Notwithstanding any other provision of law to the
687 contrary, nothing in this section may be construed to take away
688 any preexisting legal authority to make equity investments that
689 exceed the requirements of this paragraph. Notwithstanding any
690 law to the contrary, the board of trustees may invest up to 25
691 10 percent of plan assets in foreign securities on a market-
692 value basis.

693 (c) Issue drafts upon the municipal police officers'
694 retirement trust fund pursuant to this act and rules and
695 regulations prescribed by the board of trustees. All such drafts
696 shall be consecutively numbered, be signed by the chair and

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697 secretary or by two individuals designated by the board who are
698 subject to the same fiduciary standards as required for the
699 board of trustees under this subsection, and state upon their
700 faces the purposes for which the drafts are drawn. The city
701 treasurer or other depository shall retain such drafts when
702 paid, as permanent vouchers for disbursements made, and no money
703 shall otherwise be drawn from the fund.

704 (d) Finally decide all claims to relief under the board's
705 rules and regulations and pursuant to the provisions of this
706 act.

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

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

710 Section 11. Section 185.08, Florida Statutes, is amended to
711 read:

712 185.08 State excise tax on casualty insurance premiums
713 authorized; procedure.—For any municipality, chapter plan, local
714 law municipality, or local law plan under this chapter:

715 (1) Each incorporated municipality in this state described
716 and classified in s. 185.03, as well as each other city or town
717 of this state which on July 31, 1953, had a lawfully established
718 municipal police officers' retirement trust fund or city fund,
719 by whatever name known, providing pension or relief benefits to
720 police officers as provided under this chapter, may assess and
721 impose on every insurance company, corporation, or other insurer
722 now engaged in or carrying on, or who shall hereafter engage in
723 or carry on, the business of casualty insurance as shown by
724 records of the Office of Insurance Regulation of the Financial
725 Services Commission, an excise tax in addition to any lawful

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726 license or excise tax now levied by each of the ~~said~~
727 municipalities, respectively, amounting to .85 percent of the
728 gross amount of receipts of premiums from policyholders on all
729 premiums collected on casualty insurance policies covering
730 property within the corporate limits of such municipalities,
731 respectively.

732 (2) In the case of multiple peril policies with a single
733 premium for both property and casualty coverages in such
734 policies, 30 percent of such premium shall be used as the basis
735 for the .85-percent tax above.

736 (3) The excise tax shall be payable annually March 1 of
737 each year after the passing of an ordinance assessing and
738 imposing the tax herein authorized. Installments of taxes shall
739 be paid according to ~~the provisions of~~ s. 624.5092(2) (a), (b),
740 and (c).

741
742 This section also applies to any municipality that has entered
743 into an interlocal agreement to receive police protection
744 services from another municipality under s. 185.03. The excise
745 tax may be levied on all premiums collected on casualty
746 insurance policies covering property located within the
747 corporate limits of the municipality receiving the police
748 protection services but is available for distribution to the
749 municipality providing the police protection services.

750 Section 12. Paragraph (c) is added to subsection (1) of
751 section 185.161, Florida Statutes, to read:

752 185.161 Optional forms of retirement income.—For any
753 municipality, chapter plan, local law municipality, or local law
754 plan under this chapter:

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755 (1)

756 (c) Notwithstanding paragraph (b), the retired police
757 officer may change his or her designation of joint annuitant or
758 beneficiary up to two times as provided in s. 185.341 without
759 the approval of the board of trustees or the prior joint
760 annuitant or beneficiary. The retiree does not have to provide
761 proof of good health of the joint annuitant or beneficiary being
762 removed, and the joint annuitant or beneficiary being removed
763 does not have to be living.

764 Section 13. Section 185.37, Florida Statutes, is amended to
765 read:

766 185.37 Termination of plan and distribution of fund.—For
767 any municipality, chapter plan, local law municipality, or local
768 law plan under this chapter, the plan may be terminated by the
769 municipality. Upon termination of the plan by the municipality
770 for any reason, or because of a transfer, merger, or
771 consolidation of governmental units, services, or functions as
772 provided in chapter 121, or upon written notice to the board of
773 trustees by the municipality that contributions under the plan
774 are being permanently discontinued, the rights of all employees
775 to benefits accrued to the date of such termination or
776 discontinuance and the amounts credited to the employees'
777 accounts are nonforfeitable. The fund shall be ~~apportioned and~~
778 distributed in accordance with the following procedures:

779 (1) The board of trustees shall determine the date of
780 distribution and the asset value required to fund all the
781 nonforfeitable benefits ~~to be distributed~~, after taking into
782 account the expenses of such distribution. The board shall
783 inform the municipality if additional assets are required, in

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784 which event the municipality shall continue to financially
785 support the plan until all nonforfeitable benefits have been
786 funded.

787 (2) The board of trustees shall determine the method of
788 distribution of the asset value, that is, whether distribution
789 shall be by payment in cash, by the maintenance of another or
790 substituted trust fund, by the purchase of insured annuities, or
791 otherwise, for each police officer entitled to benefits under
792 the plan, as specified in subsection (3).

793 (3) The board of trustees shall distribute ~~apportion~~ the
794 asset value as of the date of termination in the manner set
795 forth in this subsection, on the basis that the amount required
796 to provide any given retirement income shall mean the
797 actuarially computed single-sum value of such retirement income,
798 except that if the method of distribution determined under
799 subsection (2) involves the purchase of an insured annuity, the
800 amount required to provide the given retirement income shall
801 mean the single premium payable for such annuity. The actuarial
802 single-sum value shall not be less than the employee's
803 accumulated contributions to the plan, with interest if provided
804 by the plan, less the value of any plan benefits previously paid
805 to the employee.

806 ~~(a) Apportionment shall first be made in respect of each~~
807 ~~retired police officer receiving a retirement income hereunder~~
808 ~~on such date, each person receiving a retirement income on such~~
809 ~~date on account of a retired (but since deceased) police~~
810 ~~officer, and each police officer who has, by such date, become~~
811 ~~eligible for normal retirement but has not yet retired, in the~~
812 ~~amount required to provide such retirement income, provided~~

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813 ~~that, if such asset value is less than the aggregate of such~~
814 ~~amounts, such amounts shall be proportionately reduced so that~~
815 ~~the aggregate of such reduced amounts will be equal to such~~
816 ~~asset value.~~

817 ~~(b) If there is any asset value remaining after the~~
818 ~~apportionment under paragraph (a), apportionment shall next be~~
819 ~~made in respect of each police officer in the service of the~~
820 ~~municipality on such date who has completed at least 10 years of~~
821 ~~credited service, in the municipal police officers' retirement~~
822 ~~trust fund for at least 10 years, and who is not entitled to an~~
823 ~~apportionment under paragraph (a), in the amount required to~~
824 ~~provide the actuarial equivalent of the accrued normal~~
825 ~~retirement income, based on the police officer's credited~~
826 ~~service and earnings to such date, and each former participant~~
827 ~~then entitled to a benefit under the provisions of s. 185.19 who~~
828 ~~has not by such date reached his or her normal retirement date,~~
829 ~~in the amount required to provide the actuarial equivalent of~~
830 ~~the accrued normal retirement income to which he or she is~~
831 ~~entitled under s. 185.19, provided that, if such remaining asset~~
832 ~~value is less than the aggregate of the amounts apportioned~~
833 ~~hereunder, such latter amounts shall be proportionately reduced~~
834 ~~so that the aggregate of such reduced amounts will be equal to~~
835 ~~such remaining asset value.~~

836 ~~(c) If there is an asset value after the apportionments~~
837 ~~under paragraphs (a) and (b), apportionment shall lastly be made~~
838 ~~in respect of each police officer in the service of the~~
839 ~~municipality on such date who is not entitled to an~~
840 ~~apportionment under paragraphs (a) and (b) in the amount equal~~
841 ~~to the police officer's total contributions to the plan to date~~

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842 ~~of termination, provided that, if such remaining asset value is~~
843 ~~less than the aggregate of the amounts apportioned hereunder,~~
844 ~~such latter amounts shall be proportionately reduced so that the~~
845 ~~aggregate of such reduced amounts will be equal to such~~
846 ~~remaining asset value.~~

847 (4)~~(d)~~ In the event that there is asset value remaining
848 after the full distribution ~~apportionment~~ specified in
849 subsection (3), and after the payment of any expenses incurred
850 with such distribution paragraphs (a), (b), and (c), such excess
851 shall be returned to the municipality, less return to the state
852 of the state's contributions, provided that, if the excess is
853 less than the total contributions made by the municipality and
854 the state to date of termination of the plan, such excess shall
855 be divided proportionately to the total contributions made by
856 the municipality and the state.

857 (5)~~(4)~~ The board of trustees shall distribute, in
858 accordance with the manner of distribution determined under
859 subsection (2), the amounts determined ~~apportioned~~ under
860 subsection (3).

861
862 If, after a period of 24 months after the date on which the plan
863 terminated or the date on which the board received written
864 notice that the contributions thereunder were being permanently
865 discontinued, the municipality or the board of trustees of the
866 municipal police officers' retirement trust fund affected has
867 not complied with all the provisions in this section, the
868 Department of Management Services ~~division~~ shall effect the
869 termination of the fund in accordance with this section.

870 Section 14. This act shall take effect July 1, 2009.