

HB 1151

2010

1 A bill to be entitled
2 An act relating to municipal police pension plans;
3 amending s. 185.35, F.S.; allowing premium tax
4 revenues to be used to repay an advance from the
5 municipality which is used to purchase an annuity to
6 fund the accrued liabilities of the plan; providing an
7 effective date.

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9 WHEREAS, the merger or transfer of police services to
10 another governmental agency has resulted in certain
11 municipalities closing their police retirement plans, and

12 WHEREAS, the continued economic welfare of the plan, its
13 participants, and the municipality are best served by the
14 expedited funding of the plan's accumulated liabilities, and

15 WHEREAS, the amount of insurance premium tax revenue
16 received annually is insufficient to permit the immediate
17 payment of those accumulated liabilities, and

18 WHEREAS, the advanced payment of the cost of those
19 liabilities will result in enhanced actuarial soundness for the
20 plan and a savings to the taxpayers, and

21 WHEREAS, allowing the use of premium tax revenue under
22 certain limited circumstances does not threaten the integrity of
23 the premium tax program by creating a risk that the premium
24 taxes will not be used solely for the retirement benefits of
25 police officers, NOW, THEREFORE,

26
27 Be It Enacted by the Legislature of the State of Florida:

28

HB 1151

2010

29 Section 1. Subsection (1) of section 185.35, Florida
 30 Statutes, is amended to read:

31 185.35 Municipalities having their own pension plans for
 32 police officers.—For any municipality, chapter plan, local law
 33 municipality, or local law plan under this chapter, in order for
 34 municipalities with their own pension plans for police officers,
 35 or for police officers and firefighters where included, to
 36 participate in the distribution of the tax fund established
 37 pursuant to s. 185.08, local law plans must meet the minimum
 38 benefits and minimum standards set forth in this chapter:

39 (1) PREMIUM TAX INCOME.—

40 (a) If a municipality has a pension plan for police
 41 officers, or for police officers and firefighters where
 42 included, which, in the opinion of the division, meets the
 43 minimum benefits and minimum standards set forth in this
 44 chapter, the board of trustees of the pension plan, as approved
 45 by a majority of police officers of the municipality, may+

46 ~~(a)~~ place the income from the premium tax levied under ~~in~~
 47 s. 185.08 in: such

48 1. The pension plan for the sole and exclusive use of its
 49 police officers, or its police officers and firefighters where
 50 included, where it shall become an integral part of that pension
 51 plan and ~~shall~~ be used to pay extra benefits to the police
 52 officers included in that pension plan; or

53 ~~2.(b) May Place the income from the premium tax in s.~~
 54 ~~185.08 in~~ A separate supplemental plan to pay extra benefits to
 55 the police officers, or police officers and firefighters where
 56 included, participating in the ~~such~~ separate supplemental plan.

HB 1151

2010

57 (b) Except as provided in paragraph (c), the premium tax
58 must ~~provided by this chapter shall in all cases~~ be used in its
59 entirety to provide extra benefits to police officers, or to
60 police officers and firefighters, where included. However, local
61 law plans in effect on October 1, 1998, must ~~shall be required~~
62 ~~to~~ comply with the minimum benefit provisions of this chapter
63 only to the extent that additional premium tax revenues become
64 available to incrementally fund the cost of such compliance as
65 provided in s. 185.16(2). When a plan is in compliance with the
66 ~~such~~ minimum benefit provisions, as subsequent additional tax
67 revenues become available, the revenues must ~~they shall~~ be used
68 to provide extra benefits. For the purpose of this chapter,
69 "additional premium tax revenues" means revenues received by a
70 municipality pursuant to s. 185.10 which exceed the amount
71 received for calendar year 1997, and the term "extra benefits"
72 means benefits in addition to or greater than those provided to
73 general employees of the municipality and in addition to those
74 in existence for police officers on March 12, 1999. Local law
75 plans created by special act before May 23, 1939, are ~~shall be~~
76 deemed to comply with this chapter.

77 (c) In a closed plan that has fewer than five active
78 members where police services have been transferred or merged
79 with another governmental agency, the municipality may advance
80 payment for the cost of purchasing an annuity contract
81 applicable to the accrued liabilities of the plan. In such case,
82 the board of trustees, as approved by the members, may authorize
83 the repayment of the advanced cost from the future receipt of
84 premium taxes; however, the plan may not be deemed fully funded

HB 1151

2010

85 until the full cost of the advanced payment has been returned to
86 the municipality by the plan. This paragraph does not preclude
87 the continued receipt of premium tax for the purpose of
88 providing additional benefits for active or retired police
89 officers as provided under paragraph (b).

90 Section 2. This act shall take effect July 1, 2010.