

By the Committees on Governmental Oversight and Accountability;
and Community Affairs; and Senator Bradley

585-03730-14

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1 A bill to be entitled
2 An act relating to publicly funded retirement
3 programs; amending s. 175.041, F.S.; revising
4 applicability of the Marvin B. Clayton Firefighters
5 Pension Trust Fund Act; providing that any
6 municipality that provides fire protection services to
7 a municipal services taxing unit under an interlocal
8 agreement is eligible to receive property insurance
9 premium taxes; amending s. 175.101, F.S.; authorizing
10 a municipal services taxing unit that enters into an
11 interlocal agreement for fire protection services with
12 another municipality to impose an excise tax on
13 property insurance premiums; amending s. 175.111,
14 F.S.; requiring municipal services taxing units to
15 provide the Division of Retirement of the Department
16 of Management Services with a certified copy of the
17 ordinance assessing and imposing certain taxes;
18 amending ss. 175.122 and 175.351, F.S.; revising
19 provisions relating to the limitation of disbursement
20 to conform to changes made by the act; amending s.
21 175.411, F.S.; authorizing a municipal services taxing
22 unit, under certain conditions, to revoke its
23 participation and cease to receive property insurance
24 premium taxes; providing an effective date.

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

27
28 Section 1. Subsection (3) of section 175.041, Florida
29 Statutes, is amended to read:

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30 175.041 Firefighters' Pension Trust Fund created;
31 applicability of provisions.—For any municipality, special fire
32 control district, chapter plan, local law municipality, local
33 law special fire control district, or local law plan under this
34 chapter:

35 (3) ~~The provisions of~~ This chapter applies ~~shall apply~~ only
36 to municipalities organized and established pursuant to the laws
37 of the state and to special fire control districts. This chapter
38 does, and said provisions shall not apply to the unincorporated
39 areas of any county or counties except with respect to municipal
40 services taxing units established in unincorporated areas for
41 the purpose of receiving fire protection service from a
42 municipality and special fire control districts that include
43 unincorporated areas. This chapter also does not, nor shall the
44 provisions hereof apply to any governmental entity whose
45 firefighters are eligible to participate in the Florida
46 Retirement System.

47 (a) Special fire control districts that include, or consist
48 exclusively of, unincorporated areas of one or more counties may
49 levy and impose the tax and participate in the retirement
50 programs enabled by this chapter.

51 (b) With respect to the distribution of premium taxes, a
52 single consolidated government consisting of a former county and
53 one or more municipalities, consolidated pursuant to s. 3 or s.
54 6(e), Art. VIII of the State Constitution, is also eligible to
55 participate under this chapter. The consolidated government
56 shall notify the division when it has entered into an interlocal
57 agreement to provide fire services to a municipality within its
58 boundaries. The municipality may enact an ordinance levying the

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59 tax as provided in s. 175.101. Upon being provided copies of the
60 interlocal agreement and the municipal ordinance levying the
61 tax, the division may distribute any premium taxes reported for
62 the municipality to the consolidated government as long as the
63 interlocal agreement is in effect.

64 (c) Any municipality that has entered into an interlocal
65 agreement to provide fire protection services to any other
66 incorporated municipality or a municipal services taxing unit in
67 an unincorporated area, in its entirety, for a period of 12
68 months or more may be eligible to receive the premium taxes
69 reported for such other municipality or municipal services
70 taxing unit. In order to be eligible for such premium taxes, the
71 municipality providing the fire services must notify the
72 division that it has entered into an interlocal agreement with
73 another municipality or a county on behalf of a municipal
74 services taxing unit. The municipality or municipal services
75 taxing unit receiving the fire services may enact an ordinance
76 levying the tax as provided in s. 175.101. Upon being provided
77 copies of the interlocal agreement and the municipal ordinance
78 levying the tax, the division may distribute any premium taxes
79 reported for the municipality or municipal services taxing unit
80 receiving the fire services to the participating municipality
81 providing the fire services as long as the interlocal agreement
82 is in effect.

83 Section 2. Subsections (1) and (3) of section 175.101,
84 Florida Statutes, are amended to read:

85 175.101 State excise tax on property insurance premiums
86 authorized; procedure.—For any municipality, special fire
87 control district, chapter plan, local law municipality, local

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88 law special fire control district, or local law plan under this
89 chapter:

90 (1) Each municipality or special fire control district ~~in~~
91 ~~this state~~ described and classified in s. 175.041, having a
92 lawfully established firefighters' pension trust fund or
93 municipal fund or special fire control district fund, by
94 whatever name known, providing pension benefits to firefighters
95 as provided under this chapter, or each municipal services
96 taxing unit receiving fire protection services from a
97 municipality participating under this chapter, may assess and
98 impose on each ~~every~~ insurance company, corporation, or other
99 insurer now engaged in or carrying on, or who shall ~~hereinafter~~
100 engage in or carry on, the business of property insurance as
101 shown by the records of the Office of Insurance Regulation of
102 the Financial Services Commission, an excise tax in addition to
103 any lawful license or excise tax now levied by each of the
104 municipalities, ~~or~~ special fire control districts, or municipal
105 services taxing units, respectively, amounting to 1.85 percent
106 of the gross amount of receipts of premiums from policyholders
107 on all premiums collected on property insurance policies
108 covering property within the corporate limits of such
109 municipalities or within the legally defined boundaries of
110 special fire control districts or municipal services taxing
111 units, respectively. If ~~Whenever~~ the boundaries of a special
112 fire control district that has lawfully established a
113 firefighters' pension trust fund encompass a portion of the
114 corporate territory of a municipality that has also lawfully
115 established a firefighters' pension trust fund, or a municipal
116 services taxing unit receiving fire protection services from a

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117 municipality participating under this chapter, that portion of
118 the tax receipts attributable to insurance policies covering
119 property situated both within the municipality or municipal
120 services taxing unit and the special fire control district shall
121 be given to the fire service provider. For the purpose of this
122 section, the boundaries of a special fire control district
123 include an area that has been annexed until the completion of
124 the 4-year period provided for in s. 171.093(4), or other
125 agreed-upon extension, or if a special fire control district is
126 providing services under an interlocal agreement executed in
127 accordance with s. 171.093(3). The agent shall identify the fire
128 service provider on the property owner's application for
129 insurance. Remaining revenues collected pursuant to this chapter
130 shall be distributed to the municipality, ~~or~~ special fire
131 control district, or municipal services taxing unit according to
132 the location of the insured property.

133 (3) This excise tax shall be payable annually on March 1 of
134 each year after the passage of an ordinance, in the case of a
135 municipality, or resolution, in the case of a special fire
136 control district or municipal services taxing unit, assessing
137 and imposing the tax authorized by this section. Installments of
138 taxes shall be paid according to the provision of s.
139 624.5092(2)(a), (b), and (c).

140

141 This section also applies to any municipality consisting of a
142 single consolidated government which is made up of a former
143 county and one or more municipalities, consolidated pursuant to
144 the authority in s. 3 or s. 6(e), Art. VIII of the State
145 Constitution, and to property insurance policies covering

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146 property within the boundaries of the consolidated government,
147 regardless of whether the properties are located within one or
148 more separately incorporated areas within the consolidated
149 government, provided the properties are being provided fire
150 protection services by the consolidated government. This section
151 also applies to any municipality, as provided in s.
152 175.041(3)(c), which has entered into an interlocal agreement to
153 receive fire protection services from another municipality
154 participating under this chapter. The excise tax may be levied
155 on all premiums collected on property insurance policies
156 covering property located within the corporate limits of the
157 municipality receiving the fire protection services, but will be
158 available for distribution to the municipality providing the
159 fire protection services.

160 Section 3. Section 175.111, Florida Statutes, is amended to
161 read:

162 175.111 Certified copy of ordinance or resolution filed;
163 insurance companies' annual report of premiums; duplicate files;
164 book of accounts.—For any municipality, municipal services
165 taxing unit, special fire control district, chapter plan, local
166 law municipality, local law special fire control district, or
167 local law plan under this chapter, whenever any municipality
168 passes an ordinance or whenever any special fire control
169 district passes a resolution establishing a chapter plan or
170 local law plan assessing and imposing the taxes authorized in s.
171 175.101, a certified copy of such ordinance or resolution shall
172 be deposited with the division. Thereafter every insurance
173 company, association, corporation, or other insurer carrying on
174 the business of property insurance on real or personal property,

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175 on or before the succeeding March 1 after date of the passage of
176 the ordinance or resolution, shall report fully in writing and
177 under oath to the division and the Department of Revenue a just
178 and true account of all premiums by such insurer received for
179 property insurance policies covering or insuring any real or
180 personal property located within the corporate limits of each
181 such municipality, municipal services taxing unit, or special
182 fire control district during the period of time elapsing between
183 the date of the passage of the ordinance or resolution and the
184 end of the calendar year. The report shall include the code
185 designation as prescribed by the division for each piece of
186 insured property, real or personal, located within the corporate
187 limits of each municipality and within the legally defined
188 boundaries of each special fire control district and municipal
189 services taxing unit. The aforesaid insurer shall annually
190 thereafter, on March 1, file with the Department of Revenue a
191 similar report covering the preceding year's premium receipts,
192 and every such insurer at the same time of making such reports
193 shall pay to the Department of Revenue the amount of the tax
194 hereinbefore mentioned. Every insurer engaged in carrying on
195 such insurance business in the state shall keep accurate books
196 of accounts of all such business done by it within the corporate
197 limits of each such municipality and within the legally defined
198 boundaries of each such special fire control district and
199 municipal services taxing unit, and in such manner as to be able
200 to comply with the provisions of this chapter. Based on the
201 insurers' reports of premium receipts, the division shall
202 prepare a consolidated premium report and shall furnish to any
203 municipality, municipal services taxing unit, or special fire

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204 control district requesting the same a copy of the relevant
205 section of that report.

206 Section 4. Section 175.122, Florida Statutes, is amended to
207 read:

208 175.122 Limitation of disbursement.—For any municipality,
209 municipal services taxing unit, special fire control district,
210 chapter plan, local law municipality, local law special fire
211 control district, or local law plan under this chapter, any
212 municipality, municipal services taxing unit, or special fire
213 control district participating in the firefighters' pension
214 trust fund pursuant to the provisions of this chapter, whether
215 under a chapter plan or local law plan, shall be limited to
216 receiving any moneys from such fund in excess of that produced
217 by one-half of the excise tax, as provided for in s. 175.101;
218 however, any such municipality, municipal services taxing unit,
219 or special fire control district receiving less than 6 percent
220 of its fire department payroll from such fund shall be entitled
221 to receive from such fund the amount determined under s.
222 175.121, in excess of one-half of the excise tax, not to exceed
223 6 percent of its fire department payroll. Payroll amounts of
224 members included in the Florida Retirement System shall not be
225 included.

226 Section 5. Subsection (1) of section 175.351, Florida
227 Statutes, is amended to read:

228 175.351 Municipalities, municipal services taxing units,
229 and special fire control districts having their own pension
230 plans for firefighters.—For any municipality, municipal services
231 taxing unit, special fire control district, local law
232 municipality, local law special fire control district, or local

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233 law plan under this chapter, in order for municipalities,
234 municipal services taxing units, and special fire control
235 districts with their own pension plans for firefighters, or for
236 firefighters and police officers if included, to participate in
237 the distribution of the tax fund established pursuant to s.
238 175.101, local law plans must meet the minimum benefits and
239 minimum standards set forth in this chapter.

240 (1) If a municipality has a pension plan for firefighters,
241 or a pension plan for firefighters and police officers if
242 included, which in the opinion of the division meets the minimum
243 benefits and minimum standards set forth in this chapter, the
244 board of trustees of the pension plan, as approved by a majority
245 of firefighters of the municipality, may:

246 (a) Place the income from the premium tax in s. 175.101 in
247 such pension plan for the sole and exclusive use of its
248 firefighters, or for firefighters and police officers if
249 included, where it shall become an integral part of that pension
250 plan and shall be used to pay extra benefits to the firefighters
251 included in that pension plan; or

252 (b) Place the income from the premium tax in s. 175.101 in
253 a separate supplemental plan to pay extra benefits to
254 firefighters, or to firefighters and police officers if
255 included, participating in such separate supplemental plan.

256 Section 6. Section 175.411, Florida Statutes, is amended to
257 read:

258 175.411 Optional participation.—A municipality, municipal
259 services taxing unit, or special fire control district may
260 revoke its participation under this chapter by rescinding the
261 legislative act, ordinance, or resolution which assesses and

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262 imposes the taxes authorized in s. 175.101, and by furnishing a
263 certified copy of such legislative act, ordinance, or resolution
264 to the division. Thereafter, the municipality, municipal
265 services taxing unit, or special fire control district shall be
266 prohibited from participating under this chapter, and shall not
267 be eligible for future premium tax moneys. Premium tax moneys
268 previously received shall continue to be used for the sole and
269 exclusive benefit of firefighters, or firefighters and police
270 officers where included, and no amendment, legislative act,
271 ordinance, or resolution shall be adopted which shall have the
272 effect of reducing the then-vested accrued benefits of the
273 firefighters, retirees, or their beneficiaries. The
274 municipality, municipal services taxing unit, or special fire
275 control district shall continue to furnish an annual report to
276 the division as provided in s. 175.261. If the municipality,
277 municipal services taxing unit, or special fire control district
278 subsequently terminates the defined benefit plan, they shall do
279 so in compliance with the provisions of s. 175.361.

280 Section 7. This act shall take effect July 1, 2014.