

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
 ADOPTED AS AMENDED _____ (Y/N)
 ADOPTED W/O OBJECTION _____ (Y/N)
 FAILED TO ADOPT _____ (Y/N)
 WITHDRAWN _____ (Y/N)
 OTHER _____

1 Committee/Subcommittee hearing bill: Finance & Tax Committee
 2 Representative Adkins offered the following:

4 **Amendment**

5 Remove lines 35-276 and insert:

6 (a) The membership of the board of trustees for a chapter
 7 plan, whose members shall serve staggered terms, consists of
 8 five members, two of whom, unless otherwise prohibited by law,
 9 must be legal residents of the municipality or special fire
 10 control district and must be appointed by the governing body of
 11 the municipality or special fire control district, and two of
 12 whom must be full-time firefighters as defined in s. 175.032 who
 13 are elected by a majority of the active firefighters who are
 14 members of such plan. With respect to any chapter plan or local
 15 law plan that, on January 1, 1997, allowed retired firefighters
 16 to vote in such elections, retirees may continue to vote in such
 17 elections. The fifth member must not be a member, retiree,

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18 beneficiary or payee of the pension plan and shall be chosen by
19 a majority of the previous four members as provided herein, and
20 such person's name shall be submitted to the governing body of
21 the municipality or special fire control district. Upon receipt
22 of the fifth person's name, the governing body of the
23 municipality or special fire control district shall, as a
24 ministerial duty, appoint such person to the board of trustees.
25 The fifth member shall have the same rights as each of the other
26 four members, shall serve as trustee for a period of 2 years,
27 and may succeed himself or herself in office. Each resident
28 member shall serve as trustee for a period of 2 years, unless
29 sooner replaced by the governing body at whose pleasure he or
30 she serves, and may succeed himself or herself as a trustee.
31 Each firefighter member shall serve as trustee for a period of 2
32 years, unless he or she sooner leaves the employment of the
33 municipality or special fire control district as a firefighter,
34 whereupon a successor shall be chosen in the same manner as an
35 original appointment. Each firefighter may succeed himself or
36 herself in office. The terms of office of the appointed and
37 elected members may be amended by municipal ordinance, special
38 act of the Legislature, or resolution adopted by the governing
39 body of the special fire control district to extend the terms
40 from 2 years to 4 years. The length of the terms of office shall
41 be the same for all board members, and a board member may not
42 serve on the board for more than 8 consecutive years.

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43 (b) The membership of boards of trustees for local law
44 plans shall be as follows:

45 1. If a municipality or special fire control district has
46 a pension plan for firefighters only, the provisions of
47 paragraph (a) apply.

48 2. If a municipality has a pension plan for firefighters
49 and police officers, the provisions of paragraph (a) apply,
50 except that the board of trustees shall consist of nine members,
51 four of whom shall be appointed by the governing body of the
52 municipality or special fire control district, two of whom ~~one~~
53 member of the board must be firefighters ~~a firefighter~~ and two
54 of whom ~~one member of the board~~ must be a police officers
55 ~~officer~~ as defined in s. 185.02, respectively elected by a
56 majority of the active firefighters or police officers who are
57 members of the plan.

58 3. A board of trustees operating a local law plan on July
59 1, 1999, which is combined with a plan for general employees
60 shall hold an election of the firefighters, or firefighters and
61 police officers, if included, to determine whether a plan is to
62 be established for firefighters only, or for firefighters and
63 police officers where included. Based on the election results, a
64 new board shall be established as provided in subparagraph 1. or
65 subparagraph 2., as appropriate. The municipality or fire
66 control district shall enact an ordinance or resolution to
67 implement the new board by October 1, 1999. The newly
68 established board shall take whatever action is necessary to

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69 determine the amount of assets attributable to firefighters, or
70 firefighters and police officers where included. Such assets
71 include all employer, employee, and state contributions made by
72 or on behalf of firefighters, or firefighters and police
73 officers where included, and any investment income derived from
74 such contributions. All such moneys shall be transferred into
75 the newly established retirement plan, as directed by the board.

76
77 ~~With respect to a board of trustees operating a local law plan~~
78 ~~on June 30, 1986, this paragraph does not permit the reduction~~
79 ~~of the membership percentage of firefighters, or of firefighters~~
80 ~~and police officers where a joint or mixed fund exists. However,~~
81 ~~for the sole purpose of changing municipal representation, a~~
82 ~~municipality may by ordinance change the municipal~~
83 ~~representation on the board of trustees operating a local law~~
84 ~~plan by ordinance, only if such change does not reduce the~~
85 ~~membership percentage of firefighters, or firefighters and~~
86 ~~police officers, or the membership percentage of the municipal~~
87 ~~representation.~~

88 (c) Whenever the active firefighter membership of a closed
89 chapter plan or closed local law plan as provided in s. 175.371
90 falls below 10, an active firefighter member seat may be held by
91 either a retired member or an active firefighter member of the
92 plan who is elected by the active and retired members of the
93 plan. If there are no active or retired firefighters remaining
94 in the plan or capable of serving, the remaining board members

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95 may elect an individual to serve in the active firefighter seat.
96 Upon receipt of such person's name, the legislative body of the
97 municipality or special fire control district shall, as a
98 ministerial duty, appoint such person to the board of trustees.
99 This paragraph applies only to those plans that are closed to
100 new members under s. 175.371(2), and does not apply to any other
101 municipality or fire control district having a chapter or local
102 law plan.

103 (2) The trustees shall by a majority vote elect from their
104 number a chair and a secretary. The secretary of the board shall
105 keep a complete minute book of the actions, proceedings, or
106 hearings of the board. The trustees shall not receive any
107 compensation as such, but may receive expenses and per diem as
108 provided by Florida law.

109 (3) The board of trustees shall meet at least quarterly
110 each year.

111 (4) Each board of trustees shall be a legal entity with,
112 in addition to other powers and responsibilities contained
113 herein, the power to bring and defend lawsuits of every kind,
114 nature, and description.

115 (5) In any judicial proceeding or administrative
116 proceeding under chapter 120 brought under or pursuant to the
117 provisions of this chapter, the prevailing party shall be
118 entitled to recover the costs thereof, together with reasonable
119 attorney's fees.

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120 (6) The provisions of this section may not be altered by a
121 participating municipality or special fire control district
122 operating a chapter plan or local law plan under this chapter.

123 (7) The board of trustees may, upon written request of the
124 retiree of the plan, or by a dependent, if authorized by the
125 retiree or the retiree's beneficiary, authorize the plan
126 administrator to withhold from the monthly retirement payment
127 funds that are necessary to pay for the benefits being received
128 through the governmental entity from which the employee retired,
129 to pay the certified bargaining agent of the governmental
130 entity, and to make any payments for child support or alimony.
131 Upon the written request of the retiree of the plan, the board
132 may also authorize the plan administrator to withhold from the
133 retirement payment those funds necessary to pay for premiums for
134 accident, health, and long-term care insurance for the retiree
135 and the retiree's spouse and dependents. A retirement plan does
136 not incur liability for participation in this permissive program
137 if its actions are taken in good faith.

138 (8) The board of trustees shall:

139 (a) Provide a detailed accounting report of its expenses
140 for each fiscal year to the plan sponsor and the Department of
141 Management Services and make the report available to each member
142 of the plan. The report must include, but need not be limited
143 to, all administrative expenses that, for purposes of this
144 subsection, are expenses relating to any legal counsel, actuary,
145 plan administrator, and all other consultants, and all travel

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146 and other expenses paid to or on behalf of the members of the
147 board of trustees or anyone else on behalf of the plan.

148 (b) Operate under an administrative expense budget for
149 each fiscal year, provide a copy of the budget to the plan
150 sponsor, and make available a copy of the budget to plan members
151 before the beginning of the fiscal year. The administrative
152 expense budget must regulate the administrative expenses of the
153 board of trustees. If the board of trustees amends the
154 administrative expense budget, the board must provide a copy of
155 the amended budget to the plan sponsor and make available a copy
156 of the amended budget to plan members before the amendment takes
157 effect. The administrative expense budget, including any budget
158 amendment, is not effective until the budget or budget amendment
159 is approved by a majority vote of the plan sponsor.

160 (c) Establish qualifications for the plan administrator.
161 At a minimum, the qualifications shall require that the
162 individual have a bachelor's degree from an accredited college
163 or university with a major in finance or be a licensed certified
164 public accountant, have at least 3 years of professional
165 experience managing retirement plans in the private or public
166 sector, and be approved by a majority plus one vote of the plan
167 sponsor.

168 (9) Notwithstanding s. 175.351(2) and (3), a local law
169 plan created by special act before May 27, 1939, must comply
170 with this section.

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171 Section 2. Subsection (6) is added to section 175.351,
172 Florida Statutes, to read:

173 175.351 Municipalities and special fire control districts
174 having their own pension plans for firefighters.—For any
175 municipality, special fire control district, local law
176 municipality, local law special fire control district, or local
177 law plan under this chapter, in order for municipalities and
178 special fire control districts with their own pension plans for
179 firefighters, or for firefighters and police officers if
180 included, to participate in the distribution of the tax fund
181 established pursuant to s. 175.101, local law plans must meet
182 the minimum benefits and minimum standards set forth in this
183 chapter.

184 (6) (a) A municipality having its own pension plan that has
185 an assets-to-liabilities ratio, using the most recent plan
186 actuarial report, of 75 percent or less, shall, every 3 years,
187 conduct an internal audit of the plan's management and
188 accounting practices and investments. The audit shall be paid
189 for by the board of trustees of the pension trust fund. The
190 results of the audit shall be provided to the municipality and
191 the Department of Management Services.

192 (b) Notwithstanding subsections (2) and (3), a local law
193 plan created by special act before May 27, 1939, must comply
194 with this subsection.

195 Section 3. Section 185.05, Florida Statutes, is amended to
196 read:

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197 185.05 Board of trustees; members; terms of office;
198 meetings; legal entity; costs; attorney's fees.—For any
199 municipality, chapter plan, local law municipality, ~~or~~ local law
200 plan under this chapter, or a local law plan created by special
201 act before May 27, 1939:

202 (1) In each municipality described in s. 185.03 there is
203 hereby created a board of trustees of the municipal police
204 officers' retirement trust fund, which shall be solely
205 responsible for administering the trust fund. Effective October
206 1, 1986, and thereafter:

207 (a) The membership of the board of trustees for chapter
208 plans, whose members shall serve staggered terms, consists of
209 five members, two of whom, unless otherwise prohibited by law,
210 must be legal residents of the municipality and must be
211 appointed by the legislative body of the municipality, and two
212 of whom must be police officers as defined in s. 185.02 who are
213 elected by a majority of the active police officers who are
214 members of such plan. With respect to any chapter plan or local
215 law plan that, on January 1, 1997, allowed retired police
216 officers to vote in such elections, retirees may continue to
217 vote in such elections. The fifth member must not be a member,
218 retiree, beneficiary or payee of such plan and shall be chosen
219 by a majority of the previous four members, and such person's
220 name shall be submitted to the legislative body of the
221 municipality. Upon receipt of the fifth person's name, the
222 legislative body shall, as a ministerial duty, appoint such

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223 person to the board of trustees. The fifth member shall have the
224 same rights as each of the other four members appointed or
225 elected, shall serve as trustee for a period of 2 years, and may
226 succeed himself or herself in office. Each resident member shall
227 serve as trustee for a period of 2 years, unless sooner replaced
228 by the legislative body at whose pleasure the member serves, and
229 may succeed himself or herself as a trustee. Each police officer
230 member shall serve as trustee for a period of 2 years, unless he
231 or she sooner leaves the employment of the municipality as a
232 police officer, whereupon a successor shall be chosen in the
233 same manner as an original appointment. Each police officer may
234 succeed himself or herself in office. The terms of office of the
235 appointed and elected members of the board of trustees may be
236 amended by municipal ordinance or special act of the Legislature
237 to extend the terms from 2 years to 4 years. The length of the
238 terms of office shall be the same for all board members, and a
239 board member may not serve on the board for more than 8
240 consecutive years.

241 (b) The membership of boards of trustees for local law
242 plans is as follows:

243 1. If a municipality has a pension plan for police
244 officers only, the provisions of paragraph (a) shall apply.

245 2. If a municipality has a pension plan for police
246 officers and firefighters, the provisions of paragraph (a)
247 apply, except that the board of trustees shall consist of nine
248 members, four of whom shall be appointed by the governing body