

Amendment No.

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WITHDRAWN	_____	(Y/N)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: State Affairs Committee
 2 Representative Cummings offered the following:

Amendment (with title amendment)

5 Remove everything after the enacting clause and insert:

6 Section 1. Subsection (6) of section 112.64, Florida
 7 Statutes, is renumbered as subsection (7), and a new subsection
 8 (6) is added to that section, to read:

9 112.64 Administration of funds; amortization of unfunded
 10 liability.—

11 (6) (a) Notwithstanding any other provision of this part,
 12 the proceeds of a pension liability surtax imposed by a county
 13 pursuant to s. 212.055, which is levied for the purpose of
 14 funding or amortizing the unfunded liability of a defined
 15 benefit retirement plan or system, excluding the Florida
 16 Retirement System, shall be actuarially recognized, and the
 17 county shall apply the present value of the total projected

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18 proceeds of the surtax to reduce the unfunded liability or to
19 amortize it as part of the county's annual required
20 contribution, beginning with the fiscal year immediately
21 following approval of the pension liability surtax. The unfunded
22 liability amortization schedule must be adjusted beginning with
23 the fiscal year immediately following approval of the pension
24 liability surtax and amortized over a period of 30 years.

25 (b) The payroll of all employees covered by a closed
26 retirement plan or system that receives funds from the pension
27 liability surtax must be included in determining the unfunded
28 liability amortization schedule for the closed plan, regardless
29 of the plan in which the employees currently participate, and
30 the payroll growth assumption must be adjusted to reflect the
31 payroll of those employees when calculating the amortization of
32 the unfunded liability.

33 Section 2. Subsection (9) is added to section 212.055,
34 Florida Statutes, to read:

35 212.055 Discretionary sales surtaxes; legislative intent;
36 authorization and use of proceeds.—It is the legislative intent
37 that any authorization for imposition of a discretionary sales
38 surtax shall be published in the Florida Statutes as a
39 subsection of this section, irrespective of the duration of the
40 levy. Each enactment shall specify the types of counties
41 authorized to levy; the rate or rates which may be imposed; the
42 maximum length of time the surtax may be imposed, if any; the
43 procedure which must be followed to secure voter approval, if

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44 required; the purpose for which the proceeds may be expended;
45 and such other requirements as the Legislature may provide.
46 Taxable transactions and administrative procedures shall be as
47 provided in s. 212.054.

48 (9) PENSION LIABILITY SURTAX.—

49 (a) The governing body of a county may levy a pension
50 liability surtax to fund underfunded defined benefit retirement
51 plans or systems, pursuant to an ordinance conditioned to take
52 effect upon approval by a majority vote of the electors of the
53 county voting in a referendum, at a rate that may not exceed 0.5
54 percent. The county may not impose a pension liability surtax
55 unless the underfunded defined benefit retirement plan or system
56 is below 80 percent of actuarial funding at the time the
57 ordinance or referendum is passed. The most recent actuarial
58 report submitted to the Department of Management Services
59 pursuant to s. 112.63 must be used to establish the level of
60 actuarial funding for purposes of determining eligibility to
61 impose the surtax. The governing body of a county may only
62 impose the surtax if:

63 1. An employee, including a police officer or firefighter,
64 who enters employment on or after the date when the local
65 government certifies that the defined benefit retirement plan or
66 system formerly available to such an employee has been closed
67 may not enroll in a defined benefit retirement plan or system
68 that will receive surtax proceeds.

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69 2. The county currently levies a local government
70 infrastructure surtax pursuant to subsection (2) which is
71 scheduled to terminate and is not subject to renewal.

72 3. The pension liability surtax does not take effect until
73 the local government infrastructure surtax described in
74 subparagraph 2. is terminated.

75 (b) A referendum to adopt a pension liability surtax must
76 meet the requirements of s. 101.161 and must include a brief and
77 general description of the purposes for which the surtax
78 proceeds will be used.

79 (c) Pursuant to s. 212.054(4), the proceeds of the surtax
80 collected under this subsection, less an administrative fee that
81 may be retained by the department, shall be distributed by the
82 department to the local government.

83 (d) The local government may use the pension liability
84 surtax proceeds in the following manner:

85 1. If the proceeds of the pension liability surtax have
86 been actuarially recognized as provided for in s. 112.64(6), the
87 local government must distribute the proceeds to an eligible
88 defined benefit retirement plan or system, not including the
89 Florida Retirement System.

90 2. If the proceeds of the pension liability surtax have
91 not been actuarially recognized, the local government is
92 authorized to distribute the proceeds to an eligible defined
93 benefit retirement plan or system, not including the Florida
94 Retirement System, to pledge the proceeds of the surtax to repay

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95 debts incurred for the purpose of making advanced payments
96 toward the unfunded liability of an underfunded defined benefit
97 retirement plan or system, and to reimburse itself from the
98 proceeds of the surtax for any borrowing costs associated with
99 such debts.

100 (e) The ordinance providing for the imposition of the
101 pension liability surtax must specify how the proceeds will be
102 used:

103 1. The ordinance must specify the method of determining
104 the percentage of the proceeds, and the frequency of such
105 payments, distributed to each eligible defined benefit
106 retirement plan or system if the proceeds of the pension
107 liability surtax are actuarially recognized as provided for in
108 s. 112.64(6).

109 2. The ordinance must specify the local government's
110 intention to incur debt for the purpose of making advanced
111 payments toward the unfunded liability of an underfunded defined
112 benefit retirement plan or system if the proceeds of the pension
113 liability surtax are not actuarially recognized as provided for
114 in s. 112.64(6).

115 (f) A pension liability surtax imposed pursuant to this
116 subsection shall terminate on December 31 of the year in which
117 the actuarial funding level is expected to reach or exceed 100
118 percent for the defined benefit retirement plan or system for
119 which the surtax was levied or December 31, 2060, whichever
120 occurs first. The most recent actuarial report submitted to the

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121 Department of Management Services pursuant to s. 112.63 must be
122 used to establish the level of actuarial funding.

123 (g) Notwithstanding any other provision of this section, a
124 county may not levy local option sales surtaxes authorized in
125 this subsection and subsections (2), (3), (4), and (5) in excess
126 of a combined rate of 1 percent.

127 Section 3. This act shall take effect July 1, 2016.

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130 **T I T L E A M E N D M E N T**

131 Remove everything before the enacting clause and insert:
132 An act relating to discretionary sales surtaxes; amending
133 s. 112.64, F.S.; authorizing a county to apply proceeds of
134 a pension liability surtax toward reducing the unfunded
135 liability of a defined benefit retirement plan or system;
136 specifying the method of determining the amortization
137 schedule if a surtax is approved; amending s. 212.055,
138 F.S.; authorizing a county to levy a pension liability
139 surtax by ordinance if certain conditions are met;
140 prescribing the form of the ballot statement; requiring the
141 Department of Revenue to distribute the surtax proceeds,
142 less administrative fees; specifying the manner in which a
143 local government may use the surtax proceeds; prescribing
144 requirements for the ordinance that provides for the
145 imposition of the surtax; specifying conditions under which
146 the surtax terminates; limiting the combined rate of

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Bill No. HB 1297 (2016)

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147 | specified discretionary sales surtaxes; providing an
148 | effective date.