

State Affairs Committee

Thursday, March 27, 2014 9:00 AM Morris Hall (17 HOB)

Meeting Packet

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

(AMENDED 3/26/2014 11:42:33AM)

Amended(1)

State Affairs Committee

Start Date and Time:

Thursday, March 27, 2014 09:00 am

End Date and Time:

Thursday, March 27, 2014 10:00 am

Location:

Morris Hall (17 HOB)

Duration:

1.00 hrs

Consideration of the following bill(s):

HB 931 West Palm Beach Firefighters Pension Fund by Kerner
HB 953 State Contracting by Peters
CS/HB 1143 Acme Improvement District, Palm Beach County by Local & Federal Affairs Committee, Pafford
CS/HB 1145 West Palm Beach Police Pension Fund by Local & Federal Affairs Committee, Kerner
HB 1297 Lealman Special Fire Control District, Pinellas County by Peters

NOTICE FINALIZED on 03/26/2014 11:42 by Love.John

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #:

HB 931

West Palm Beach Firefighters Pension Fund

SPONSOR(S): Kerner

TIED BILLS:

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local & Federal Affairs Committee	18 Y, 0 N	Flegiel	Rojas
2) State Affairs Committee		Harrington (Camechis (

SUMMARY ANALYSIS

The West Palm Beach Firefighters Pension Fund was created by the Florida Legislature in 1947. Each firefighter employed by the Fire Department of the City of West Palm Beach is a pension fund participant.

The bill amends the special act that establishes the West Palm Beach Firefighters Pension Fund to:

- Provide for the use of chapter 175, F.S., premium tax funds to lower the actual employee contribution rate in Fiscal Year 2013-2014 from 25 percent to 13.1 percent, and to lower the required employee contribution rate to 13.1 percent, effective October 1, 2014;
- Clarify that employees are not entitled to a refund of contributions made from chapter 175, F.S., premium tax funds;
- Clarify that after September 30, 2014, premium tax funds will be allocated to the employee shared fund;
- Authorize members with over 10 years of credited service to take a full refund of all contributions, without interest, in exchange for forfeiting all future benefits, including share benefits, of which the member would be entitled;
- Specify that members may designate a beneficiary to receive their remaining benefits in the event that they die under certain circumstances and leave no spouse, children, or parents;
- Shorten the amount of time that transferred leave obtained post retirement remains in the fund from one year, to no more than six months, with grandfather provisions for certain members; and
- Lower the actuarial assumed rate of investment return from 8.25 percent to 8 percent.

The City of West Palm Beach and the International Association of Firefighters Local 727 have agreed in collective bargaining to these benefit and funding changes.

According to the Economic Impact Statement, it is estimated that the City of West Palm Beach's costs for the fund will be reduced by \$1,647,968 in Fiscal Year 2014-2015.

The bill takes effect upon becoming a law.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives. STORAGE NAME: h0931b.SAC.DOCX

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

State Constitution: Governmental Unit Retirement and Pension Systems

Section 14, Art. X of the State Constitution provides that a governmental unit responsible for a retirement or pension system supported wholly or partially by public pension funds may not, after January 1, 1977, provide an increase in benefits to members or beneficiaries without concurrent provisions for funding the increase on a sound actuarial basis.

The Florida Protection of Public Employee Retirement Benefits Act

Part VII of chapter 112, F. S., the "Florida Protection of Public Employee Retirement Benefits Act," was adopted by the Legislature to implement the provisions of s. 14, Art. X of the State Constitution. This law establishes minimum standards for operating and funding public employee retirement systems and plans. The act is applicable to all units of state, county, special district and municipal governments participating in or operating a retirement system for public employees, which is funded in whole or in part by public funds.

Florida law prohibits a unit of local government from agreeing to a proposed change in retirement benefits unless the administrator of the system, prior to adoption of the change by the governing body and prior to the last public hearing thereon, has issued a statement of the actuarial impact of the proposed change upon the local retirement system, consistent with the actuarial review, and furnished a copy of such statement to the Division of Retirement, Department of Management Services. The statement also is required to indicate whether the proposed changes are in compliance with s.14, Art. X of the State Constitution and with s. 112.64, F.S., which relates to administration of funds and amortization of unfunded actuarial liability.

Pursuant to s. 11(a)(21), Art. III of the State Constitution, s. 112.67, F.S., prohibits special laws in conflict with the requirements of the Act.

Firefighter Pensions: Chapter 175, F.S.

Chapter 175, F. S., provides the statutory authority for municipal and special fire control district firefighter pensions. The act was established by the Legislature to provide a "uniform retirement system" providing defined benefit plans for firefighters, and setting standards for operation and funding of the system. Retirement systems or plans are to be managed, administered, operated and funded in such a manner as to maximize the protection of the retirement trust funds.

Chapter 175, F.S., was originally enacted in 1939 to provide an incentive—access to premium tax revenues—to encourage the establishment of firefighter retirement plans by Florida cities. Special fire control districts became eligible to participate under chapter 175, F.S., in 1993.

Funding for these pension plans comes from four sources: net proceeds from an excise tax levied by a city upon property and casualty insurance companies (known as the "premium tax"), employee contributions, other revenue sources, and mandatory payments by the city of any extra amount needed to keep the plan solvent.

To qualify for premium tax dollars, plans must meet the requirements found in chapter 175, F.S. Responsibility for overseeing and monitoring these plans is assigned to the Division of Retirement in the Department of Management Services, but day-to-day operational control rests with local boards of trustees. Most Florida firefighters participate in these plans.

¹ See s. 112.63, F.S.

STORAGE NAME: h0931b.SAC.DOCX

The West Palm Beach Firefighters Pension Fund

The West Palm Beach Firefighters Pension Fund was created by the Florida Legislature in 1947.² Each firefighter employed by the Fire Department of the City of West Palm Beach is a pension fund participant. The fund has 199 active members, 86 BackDROP participants, and 196 retirees and beneficiaries (including the BackDROP participants). The fund assets as of September 30, 2013, were \$164,579,552.³

Member Contribution Rates

The plan provides for member contributions at a rate of 25 percent from May 13, 2012, through September 30, 2013. During that period of time, chapter 175, F.S., premium tax funds were applied as member contributions to lower the actual employee contribution rate from 25 percent to 13.1 percent. Effective October 1, 2013, the employee contribution rate was lowered to 13.1 percent. Chapter 175, F.S., premium tax funds received after September 30, 2013, are allocated to employee share accounts.

Refund of Contribution

Currently, the fund provides for the refund of contributions, without interest, to members (or beneficiaries) who leave the employ of the department or die with less than 10 years of credited service, and are not eligible for a pension, disability pension, or beneficiary benefit. The act provides procedures for the refund of contributions to such members. The act does not provide for the refund of funds to members who leave the employ of the department with more than 10 years of credited service.

Distribution of Benefits Following the Death of a Member

A plan member's spouse, children, or parents are entitled to certain benefits upon the death of a member under certain circumstances, including:

- the death of a member with five or more years of service, while in the employ of the service;
- the death of a member in the line of duty, regardless of years served; or
- the death of a retirant.

If a member dies under one of the applicable circumstances and leaves behind no spouse, children, or parents, the member's remaining benefits, if any, pass to the member's estate.

Rollovers from Qualified Plans

Members who accumulate sick leave, vacation leave, or any other accumulated leave payable upon separation must have the leave transferred to the fund up to the amounts permitted by law, with additional amounts paid directly to the member. Amounts transferred into the fund remain invested in the fund for a period of one year.

Actuarial Assumptions

Presently, the fund assumes an investment rate of return of 8.25 percent.

Effect of Proposed Changes

Member Contribution Rates

The bill revises the member contribution schedule, extending the 25 percent member contribution rate through the end of Fiscal Year 2013-2014. The bill provides for the use of chapter 175, F.S., premium tax funds to lower the actual employee contribution rate in Fiscal Year 2013-2014 from 25 percent to 13.1 percent. The bill sets the required employee contribution rate to 13.1 percent effective October 1, 2014.

² See, ch. 24981, L.O.F., 1947, as amended by ch. 2010-246, L.O.F.

³ March 18, 2013 email from Bonni S. Jensen, pension fund attorney. **STORAGE NAME**: h0931b.SAC.DOCX

Under this bill, employee contributions to the pension fund are as follows:

Fiscal Period	Required Employee Contribution	Contribution from Premium Tax Fund	Actual Employee Contribution Rate
May 13, 2012- Sept. 30, 2014 (Previously Sept. 30, 2013)	25%	11.9%	13.1%
Oct. 1, 2014 onward (Previously Oct. 1, 2013 onward)	13.1%	0%	13.1%

The bill clarifies that no amount of chapter 175, F.S., premium tax fund contributions are to be considered employee contributions for purposes of a refund of contributions. The bill clarifies that chapter 175, F.S., premium tax funds received after September 30, 2014, must be allocated to employee share accounts.

Refund of Contribution

The bill allows a member with over 10 years of credited service to request a refund of all contributions, without interest. A member that receives a refund forfeits all future benefits payable under the plan, including share account benefits.

<u>Distribution of Benefits Following the Death of a Member</u>

The bill revises the procedure for distribution of benefits following the death of:

- a plan member with five or more years of service, while in the employ of the service;
- a plan member in the line of duty, regardless of years served; or
- a retirant.

If such a member or retirant dies and leaves behind no eligible spouse, children, or parents, then the member or retirant's remaining benefits must be paid to the member's designated beneficiary, or in the event that no designated beneficiary exists, to the member's estate.

The bill also clarifies that the spouse, children, parents, and other potential beneficiaries of vested deferred retiree members are eligible to receive the member's remaining benefits upon their death.

Rollovers from Qualified Plans

Effective after May 13, 2012, the bill requires members to take a lump sum distribution of certain transferred leave amounts within six months after termination of employment. The bill clarifies that certain members who reached retirement age before May 13, 2012, or had an earlier BackDROP date, must leave their transferred leave in the fund for at least one year.

Actuarial Assumptions

The bill revises the assumed investment rate of return from 8.25 percent to 8 percent. The bill states that due to changes in other assumptions, the employer contribution may not increase, and no change is necessary to fund other formulas.

Collective Bargaining

The City of West Palm Beach and the International Association of Firefighters Local 727 have agreed in collective bargaining to these benefit and funding changes.

B. SECTION DIRECTORY:

Section 1: Amends chapter 24981, L.O.F., 1947, as amended by chapter 2012-260, L.O.F., relating

to the West Palm Beach Firefighters Pension Fund.

Section 2: Provides an effective date.

STORAGE NAME: h0931b.SAC.DOCX

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN? January 13, 2014

WHERE? The Palm Beach Post, a daily and Sunday newspaper published at West Palm Beach in Palm Beach County, FL.

B. REFERENDUM(S) REQUIRED? Yes [] No [X]

IF YES, WHEN?

- C. LOCAL BILL CERTIFICATION FILED? Yes, attached [X] No []
- D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [X] No []

According to the Economic Impact Statement, it is estimated that the City of West Palm Beach's costs for the fund will be reduced by \$1,647,968 in Fiscal Year 2014-2015.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

STORAGE NAME: h0931b.SAC.DOCX DATE: 3/24/2014

HB 931 2014

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

A bill to be entitled

An act relating to the City of West Palm Beach, Palm Beach County; amending chapter 24981 (1947), Laws of Florida, as amended; extending the period in which funds received under chapter 175, F.S., shall be used to reduce employee contributions to the West Palm Beach Firefighters Pension Fund; clarifying that such funds are not refundable as employee contributions; authorizing vested members to request refund of contributions in lieu of a benefit; requiring payment of certain benefits to a designated beneficiary; clarifying requirement for certain members to take a lump sum distribution of their entire lump sum accumulated sick leave and vacation leave within a specified time after their termination of employment in certain circumstances; reducing actuarial assumed rate of return; providing an effective date.

18 19

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

20 21

22

23

24

Section 1. Paragraphs (a) and (b) of subsection (3), paragraphs (i) and (j) of subsection (5), subsection (7), paragraph (b) of subsection (21), and paragraph (b) of subsection (22) of section 17 of chapter 24981 (1947), Laws of Florida, as amended, is amended to read:

25 26

Section 17. West Palm Beach Firefighters Pension Fund.-

Page 1 of 15

CODING: Words stricken are deletions; words underlined are additions.

hb0931-00

(3) Sources of revenue.—The financing of the Fund shall consist of the following sources of revenue:

27

28

29

30

3132

33

34

35

36

37

38 39

40

41

42

43

44

45 46

47

48

49

50

51

52

- Taxes of insurance companies.—The moneys returned to the City as provided by chapter 175, Florida Statutes, shall be used to fund the share account benefit described in paragraph (5)(j). The chapter 175 funds received in calendar years 2012, and 2013, and 2014 shall be utilized to reduce the employee contributions to 13.1 percent. No amount of the chapter 175 funds is to be considered employee contributions for purposes of a refund of contributions as provided for in paragraph (5)(i). Effective beginning calendar year 2015 2014, the chapter 175 funds shall again be used in full to fund the share account benefits provided for in paragraph (5)(j). The City shall not opt out of participation in chapter 175, Florida Statutes, or any similar statutory enactment unless exigent circumstances exist, such as the bankruptcy of the City or changes or amendments to the statute regarding extra benefits by the Legislature. If any statutory changes are made by the Legislature, the City and the Board may renegotiate the impact of such changes, if necessary.
- (b) Member contributions.—Effective May 13, 2012, the member shall contribute 25 percent of his or her salary to the Fund. The full amount of the chapter 175 funds received in calendar years 2012, and 2013, and 2014 shall be used to reduce the employee contributions to 13.1 percent. No amount of the chapter 175 funds is to be considered employee contributions for

Page 2 of 15

purposes of a refund of contributions as provided for in paragraph (5)(i). Effective October 1, 2014 2013, the employee contributions shall be 13.1 percent, which shall be deducted each pay period from the salary of each member in the Department, and the chapter 175 funds received in calendar year 2015 2014 and thereafter shall once again be allocated to the share accounts. If the chapter 175 funds are insufficient to reduce the member's contributions to 13.1 percent, the city shall make up the difference. All amounts of member contributions that are deducted shall be immediately paid over to the Pension Fund. For contributions made on or after May 13, 2012, any contribution amount over 11.1 percent is to be used to purchase eligibility in the postretirement health insurance, excluding the amounts of chapter 175 funds used to offset the member contribution rate.

(5) Service pension.-

(i) Refund of contributions.—In the event a member leaves the employ of the Department or dies with less than 10 years of credited service, and no service pension, disability pension, or beneficiary benefit is payable, the contributions made by him or her to the Fund shall be refunded, without interest (less any disability payments paid to the member), to the member or, in the event of death, to the beneficiary or to the member's estate. In the event a member leaves the employ of the Department with more than 10 years of service, the member may request a refund of contributions without interest instead of

Page 3 of 15

receiving any future benefits, including the share account benefit, that may be payable under the plan.

- (j) Chapter 175, Florida Statutes, share accounts.-
- 1. Individual member accounts.—A separate account shall be established and maintained in each member's name effective on or after October 1, 1988.
 - 2. Share account funding.-

- a. Each individual member account shall be credited with a pro rata share of all of the moneys received from chapter 175, Florida Statutes, tax revenues in June 1988 and thereafter. For the chapter 175 funds received in calendar years 2012, and 2013, and 2014, the full amount of the chapter 175 funds shall be used to reduce the employee contributions to 13.1 percent as provided for in subsection (3)(a). Effective October 1, 2014 2013, the employee contributions shall be 13.1 percent and the chapter 175 money received in calendar year 2015 2014 and thereafter shall be allocated to the share accounts.
- b. In addition, any forfeitures as provided in subparagraph 5. shall be credited to the individual member accounts in accordance with the formula set forth in subparagraph 3.
 - 3. Annual allocation of accounts.-
- a. Moneys shall be credited to each individual member account in an amount directly proportionate to the number of pay periods for which the member was paid compared to the total number of pay periods for which all members were paid, counting

Page 4 of 15

the pay periods in the calendar year preceding the date for which chapter 175, Florida Statutes, tax revenues were received. Share account allocations made on and after October 1, 2004, shall be made to each individual share account.

- b. At the end of each fiscal quarter, each individual account shall be adjusted to reflect the earnings or losses resulting from investment, as well as reflecting costs, fees, and expenses of administration.
- c. Vested participants have the option to select one of three methods to credit investment earnings to their account. The method may be changed each year effective October 1; however, the method must be elected prior to October 1. The methods are:
- (I) The investment earnings or losses credited to the individual member accounts shall be in the same percentage as are earned or lost by the total investment earnings or losses of the Fund as a whole, unless the Board dedicates a separate investment portfolio for chapter 175, Florida Statutes, share accounts, in which case the investment earnings or losses shall be measured by the investment earnings or losses of the separate investment portfolio;
- (II) A fixed annual rate of 8.25 percent for members who reached normal retirement age on or before May 13, 2012, or members that have a calculated BackDROP date of October 1, 2011, or earlier. Effective May 13, 2012, the fixed rate is 4 percent for members who retire on or after May 13, 2012; or

Page 5 of 15

(III) A percentage of the share account assets to be credited with earnings or losses in accordance with sub-sub-subparagraph (I) and a corresponding percentage of the share account assets credited in accordance with sub-sub-subparagraph (II). The combined total percentage invested under this sub-sub-subparagraph must equal 100 percent.

- d. Costs, fees, and expenses of administration shall be debited from the individual member accounts on a proportionate basis, taking the cost, fees, and expenses of administration of the Fund as a whole, multiplied by a fraction, the numerator of which is the total assets in all individual member accounts and the denominator of which is the total assets of the Fund as a whole. The proportionate share of the costs, fees, and expenses shall be debited from each individual member account on a pro rata basis in the same manner as chapter 175, Florida Statutes, tax revenues are credited to each individual member account (i.e., based on pay periods).
- 4. Eligibility for benefits.—Any member who terminates employment with the City, upon the member's filing an application with the Board, shall be entitled to 100 percent of the value of his or her individual member account, provided the member meets any of the following criteria:
- a. The member is eligible to receive, and is receiving, a service pension as provided in this subsection;
- b. The member has 5 or more years of credited service and is eligible to receive, and is receiving, either:

Page 6 of 15

157 (I) A nonduty disability pension as provided in paragraph 158 (6)(a); or

159

160

161162

163

164

165

166

167

168

169170

171

172

173

174

175

176

177

178

179

180

181

182

- (II) Beneficiary benefits for nonduty death as provided in paragraph (7)(a); or
- c. The member has any credited service and is eligible to receive, and is receiving, either:
- (I) A duty disability pension as provided in paragraph(6)(c); or
- (II) Beneficiary benefits for death in the line of duty as provided in paragraph (7)(b).
- 5. Forfeitures.—Any member who has less than 10 years of credited service and who is not eligible for payment of benefits after termination of employment with the City shall forfeit his or her individual member account. The amounts credited to said individual member account shall be redistributed to the other individual member accounts in the same manner as chapter 175, Florida Statutes, tax revenues are credited (i.e., based on pay periods). However, the assets shall first be used to ensure that the former member's refund of contributions has not actuarially adversely impacted the payment for the extra benefits. If there has been an adverse impact, the shortfall shall be made up first before the amounts are reallocated to active members.
- 6. Payment of benefits.—The normal form of benefit payment shall be a lump sum payment of the entire balance of the individual member account. Effective on or after May 13, 2012, members must take a lump sum distribution of their entire share

Page 7 of 15

HB 931 2014

account balance within 6 months after their termination of employment. For members who reached normal retirement age on or before May 13, 2012, or who had a calculated BackDROP date of October 1, 2011, or earlier, the member may leave his or her money in the account until the latest day under subsection (18), choose a lump sum distribution; or, upon the written election of the member, upon a form prescribed by the Board, payment may be made either by:

- Installments.—The account balance shall be paid out to a. the member in three equal payments paid over 3 years, the first payment to be made upon approval of the Board; or
- Annuity.-The account balance shall be paid out in monthly installments over the lifetime of the member or until the entire balance is exhausted. The monthly amount paid shall be determined by the Fund's actuary in accordance with selections made by the member in a form provided by the Board.
- Death of a member.-If a member dies and is eligible for benefits from the individual member account, the entire balance of the individual member account shall be paid in a lump sum to the beneficiaries designated in accordance with paragraph (h). If a member fails to designate a beneficiary or, if the beneficiary predeceases the member, the entire balance shall be paid in a lump sum in the following order:
 - a. To the spouse;

183

184

185

186

187

188

189

190

191

192

193

194

195

196

197

198

199

200

201

202

203

204

205

206

207

If there is no spouse or the spouse is not alive, to 208 the member's surviving child or children on a pro rata basis;

Page 8 of 15

c. If there are no children or no child is alive, to the member's parent or parents; or

- d. If no parent is alive, to the estate of the member.
- (7) Beneficiary benefits.-

- (a) Death while in service; 5 years or more (nonduty).—In the event a member with 5 or more years of service credit dies while in the employ of the Department, and the Board finds his or her death to have occurred as the result of causes arising outside the performance of his or her duties as a firefighter in the employ of the City, the following applicable pensions shall be paid:
- 1. Surviving spouse's benefits.—The surviving spouse shall receive a pension equal to two-thirds of the pension the member would otherwise have been entitled to receive under paragraph (5)(a), as if the member had retired the day preceding the date of his or her death, notwithstanding that the member might not have met the age and service requirements for retirement as specified in subsection (5). Upon the surviving spouse's death, the pension shall terminate.
- 2. Benefits for children, surviving spouse, etc.—In the event the deceased member does not leave a surviving spouse, or if the surviving spouse shall die, and the member leaves an unmarried child or children under age 18, each such child shall receive a pension of an equal share of the pension to which said member's surviving spouse was or would have been entitled. Upon any such child's adoption, marriage, death, or attainment of age

Page 9 of 15

18, the child's pension shall terminate and said child's pension shall be apportioned to the deceased member's remaining eligible children under age 18.

- 3. Benefits for dependent parents.—In the event a member dies and does not leave a surviving spouse or children eligible to receive a pension provided for in subparagraphs 1. and 2., and the member leaves a parent or parents whom the Board finds to have been dependent upon the member for 50 percent or more of their financial support, each such parent shall receive a pension of an equal share of the pension to which the member's surviving spouse would have been entitled. Upon any such parent's remarriage or death, the parent's pension shall terminate.
- 4. Estate.—In the event a member dies and does not leave a surviving spouse, children, or parents eligible to receive a pension provided for in subparagraph 1., subparagraph 2., or subparagraph 3., then the benefits remaining, if any, shall be paid to the member's designated beneficiary. If there is no designated beneficiary, any remaining benefits shall be paid to the member's estate.
- (b) Death in the line of duty.—In the event a member dies while in the employ of the Department, and the Board finds his or her death to be the natural and proximate result of causes arising out of and in the actual performance of duty as a firefighter in the employ of the City, the following applicable pensions shall be paid:

Page 10 of 15

1. Surviving spouse's benefits.—The surviving spouse shall receive a monthly pension equal to the greater of:

a. Sixty-six and two-thirds of the member's highest 12 months' salary or top step firefighter pay, whichever is greater; or

- b. The surviving spouse's share of the member's accrued benefit. Upon the surviving spouse's death, the pension shall terminate.
- 2. Benefits for children, surviving spouse, etc.—In the event the deceased member does not leave a surviving spouse, or if the surviving spouse shall die, and the member leaves an unmarried child or children under age 18, each such child shall receive a pension of an equal share of the pension to which the member's surviving spouse was or would have been entitled. Upon any such child's adoption, marriage, death, or attainment of age 18, the child's pension shall terminate and said child's pension shall be apportioned to the deceased member's remaining eligible children under age 18.
- 3. Benefits for dependent parents.—In the event a member dies and does not leave a surviving spouse or children eligible to receive a pension provided for in subparagraphs 1. and 2., and the member leaves a parent or parents whom the Board finds to have been dependent upon the member for 50 percent or more of their financial support, each such parent shall receive a pension of an equal share of the pension to which said member's surviving spouse would have been entitled. Upon any such

Page 11 of 15

parent's remarriage or death, the parent's pension shall terminate.

- 4. Estate.—In the event a member dies and does not leave a surviving spouse, children, or parents eligible to receive a pension provided for in subparagraph 1., subparagraph 2., or subparagraph 3., then the benefits remaining, if any, shall be paid to the member's designated beneficiary. If there is no designated beneficiary, any remaining benefits shall be paid to the member's estate.
- (c) Death after retirement.—Upon the death of a retirant or a vested deferred retirant, the following applicable pensions shall be paid:
- 1. Surviving spouse's benefits.—The surviving spouse shall receive a pension equal to three-fourths of the retirant's pension at the time of his or her death. Upon the surviving spouse's death, the pension shall terminate.
- 2. Benefits for children, surviving spouse, etc.—In the event a deceased retirant does not leave a surviving spouse, or if the surviving spouse shall die, and the retirant leaves an unmarried child or children under age 18, each such child shall receive a pension of an equal share of the pension to which the retirant's surviving spouse was or would have been entitled. Upon any such child's adoption, marriage, death, or attainment of age 18, the child's pension shall terminate and said child's pension shall be apportioned to the deceased retirant's remaining eligible children under age 18.

Page 12 of 15

3. Benefits for dependent parents.—In the event a retirant dies and does not leave a surviving spouse or children eligible to receive a pension provided for in subparagraphs 1. and 2., and the retirant leaves a parent or parents whom the Board finds to have been dependent upon the retirant for 50 percent or more of their financial support, each such parent shall receive a pension of an equal share of the pension to which the retirant's surviving spouse would have been entitled. Upon any such parent's remarriage or death, the parent's pension shall terminate.

- 4. Estate.—In the event a retirant dies and does not leave a surviving spouse, children, or parents eligible to receive a pension provided for in subparagraph 1., subparagraph 2., or subparagraph 3., then the benefits remaining, if any, shall be paid to the member's designated beneficiary. If there is no designated beneficiary, any remaining benefits shall be paid to the retirant's estate.
 - (21) Rollovers from qualified plans.
 - (b) Transfer of accumulated leave.-

1. Members eligible to receive accumulated sick leave, accumulated vacation leave, or any other accumulated leave payable upon separation shall have the leave transferred to the Fund up to the amount permitted by law. Any additional amounts shall be paid directly to the member. Members on whose behalf leave has been transferred shall maintain the entire amount of the transferred leave balance in the DROP or Share Account.

Page 13 of 15

2. If a member on whose behalf the City makes a transferred leave balance to the Plan dies after retirement or other separation, then any person who would have received a death benefit had the member died in service immediately prior to the date of retirement or other separation shall be entitled to receive an amount equal to the transferred leave balance in a lump sum. In the case of a surviving spouse or former spouse, an election may be made to transfer the leave balance to an eligible retirement plan in lieu of the lump sum payment. Failure to make such an election by the surviving spouse or former spouse within 60 days after the member's death shall be deemed an election to receive the lump sum payment.

- 3. The Board, by rule, shall prescribe the method for implementing the provisions of this paragraph.
- 4. Effective on or after May 13, 2012, members must take a lump sum distribution of the amounts transferred under this section within 6 months after their termination of employment. For members who reached normal retirement age on or before May 13, 2012, or who had a calculated BackDROP date of October 1, 2011, or earlier, the member's transferred leave must remain invested in the Pension Fund for at least a period of not less than 1 year.
- (22) Actuarial assumptions.—The following actuarial assumptions shall be used for all purposes in connection with this Fund, effective October 1, 1998:

Page 14 of 15

364

365366367368369

370371

372

373

(b) The assumed investment rate of return shall be 8.25
percent. Effective October 1, 2014, the assumed investment rate
of return shall be 8 percent. Due to the other assumption
changes that were made at the same time as this reduction in the
assumed rate of return, the City did not have an increase in
City contributions as a result of the change of the assumed
investment rate of return. Therefore, there was no change
necessary to the 3-percent accrual factor in subparagraph
(5) (a) 2.

Section 2. This act shall take effect upon becoming a law.

Page 15 of 15

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #:

HB 953

State Contracting

SPONSOR(S): Peters

TIED BILLS:

IDEN./SIM. BILLS: SB 914

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Government Operations Subcommittee	9 Y, 0 N	Harrington	Williamson
Government Operations Appropriations Subcommittee	12 Y, 0 N	White	Торр
3) State Affairs Committee		Harrington	Camechis C

SUMMARY ANALYSIS

Current law requires agencies to utilize a competitive solicitation process for contracts for commodities or services in excess of \$35,000. Depending on the cost and characteristics of the needed goods or services, agencies may utilize a variety of procurement methods, which may include a request for proposal or invitation to negotiate. The agency must consider certain criteria when evaluating the proposal or reply before selecting a vendor.

The bill requires state agencies to consider the prior relevant experience of a vendor when evaluating the responses to a request for proposal or invitation to negotiate. Currently, agencies may consider such prior relevant experience, but agencies are not required to do so.

The bill does not have a fiscal impact on state or local government.

The bill is effective July 1, 2014.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives. STORAGE NAME: h0953d.SAC.DOCX

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Procurement of Commodities and Services

Chapter 287, F.S., regulates state agency¹ procurement of personal property and services. The Department of Management Services (department) is responsible for overseeing state purchasing activity, including professional and construction services, as well as commodities needed to support agency activities, such as office supplies, vehicles, and information technology.² The department establishes statewide purchasing rules and negotiates contracts and purchasing agreements that are intended to leverage the state's buying power.³

Depending on the cost and characteristics of the needed goods or services, agencies may utilize a variety of procurement methods, which include:⁴

- Single source contracts, which are used when an agency determines that only one vendor is available to provide a commodity or service at the time of purchase;
- Invitations to bid, which are used when an agency determines that standard services or goods will meet needs, wide competition is available, and the vendor's experience will not greatly influence the agency's results;
- Requests for proposal, which are used when the procurement requirements allow for consideration of various solutions and the agency believes more than two or three vendors exist who can provide the required goods or services; and
- Invitations to negotiate, which are used when negotiations are determined to be necessary to
 obtain the best value and involve a request for highly complex, customized, mission-critical
 services.

For contracts for commodities or services in excess of \$35,000, agencies must utilize a competitive solicitation process;⁵ however, certain contractual services and commodities are exempt from this requirement.⁶ Section 287.012(6), F.S., provides that competitive solicitation means "the process of requesting and receiving two or more sealed bids, proposals, or replies submitted by responsive vendors in accordance with the terms of a competitive process, regardless of the method of procurement."

Evaluation Criteria

Prior to contracting, an agency must determine the integrity, reliability, and qualifications it will require in a vendor with regard to the capability of the vendor to fully perform the contract requirements.⁷ Depending on the type of competitive solicitation utilized, an agency must consider certain criteria; however, agencies are not limited in what they may consider prior to contract.

If an agency utilizes a request for proposal, the agency must award the contract to the responsible and responsive vendor whose proposal is determined to be the most advantageous to the state after evaluating:

- Price
- Renewal price, if renewal is contemplated; and

¹ Section 287.012(1), F.S., defines agency as "any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government. 'Agency' does not include the university and college boards of trustees or the state universities and colleges."

² See ss. 287.032 and 287.042, F.S.

³ *Id*.

⁴ See ss. 287.012(6) and 287.057, F.S.

⁵ Section 287.057(1), F.S., requires all projects that exceed the Category Two (\$35,000) threshold contained in s. 287.017, F.S., to be competitively bid.

⁶ See s. 287.057(3), F.S.

⁷ Chapter 60A-1.006, F.A.C.

Consideration of the total cost for each year of the contract, including renewal years, as submitted by the vendor.8

For purposes of an invitation to negotiate, the criteria used to determine the acceptability of the reply, and for purposes of guiding the selection of the vendors with which the agency will negotiate, must be specified in the invitation to negotiate. The agency must evaluate the replies received against the evaluation criteria established in the invitation to negotiate in order to establish a competitive range of replies reasonably susceptible of award. The agency may select one or more vendors within the competitive range with which to negotiate. After negotiations, the agency must award the contract to the responsible and responsive vendor that the agency determines will provide the best value to the state, based on the selection criteria.

Effect of Proposed Changes

The bill requires agencies to consider the prior relevant experience of a vendor when evaluating responses to a request for proposal or invitation to negotiate. Currently, agencies may consider prior relevant experience, but agencies are not required to do so.

B. SECTION DIRECTORY:

Section 1. amends s. 287.057, F.S., revising the criteria for evaluating a proposal to include consideration of prior relevant experience of the vendor; revising the criteria for evaluating a response to an agency's invitation to negotiate to include consideration of prior relevant experience of the vendor.

Section 2. provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

		None.
	2.	Expenditures:
		None.
_		COAL MADA OT CALL COAL COMEDANA FAITO

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

A. FISCAL IMPACT ON STATE GOVERNMENT:

2. Expenditures:

None.

 Revenues: None.

1. Revenues:

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

⁸ Section 287.057(1)(b)3., F.S. STORAGE NAME: h0953d.SAC.DOCX **DATE**: 3/25/2014

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

- Applicability of Municipality/County Mandates Provision:
 Not applicable. This bill does not appear to affect county or municipal governments.
- 2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

STORAGE NAME: h0953d.SAC.DOCX

A bill to be entitled

An act relating to state contracting; amending s. 287.057, F.S.; revising the criteria for evaluating a proposal to include consideration of prior relevant experience of the vendor; revising the criteria for evaluating a response to an agency's invitation to negotiate to include consideration of prior relevant experience of the vendor; providing an effective date.

9

8

2

3

4

5 6

7

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

11 12

13

1415

16

17

18

19

20

21 22

23 l

24

25

26

Section 1. Subsection (1) of section 287.057, Florida Statutes, is amended to read:

287.057 Procurement of commodities or contractual services.—

- (1) The competitive solicitation processes authorized in this section shall be used for procurement of commodities or contractual services in excess of the threshold amount provided for CATEGORY TWO in s. 287.017. Any competitive solicitation shall be made available simultaneously to all vendors, must include the time and date for the receipt of bids, proposals, or replies and of the public opening, and must include all contractual terms and conditions applicable to the procurement, including the criteria to be used in determining acceptability and relative merit of the bid, proposal, or reply.
 - (a) Invitation to bid.—The invitation to bid shall be used

Page 1 of 5

when the agency is capable of specifically defining the scope of work for which a contractual service is required or when the agency is capable of establishing precise specifications defining the actual commodity or group of commodities required.

1. All invitations to bid must include:

27 l

28

29

30

31

32

34

35

36

37

38

39

40 41

42

43

44

45 46

47

48

49

50

51

52

- a. A detailed description of the commodities or contractual services sought; and
- b. If the agency contemplates renewal of the contract, a statement to that effect.
- 2. Bids submitted in response to an invitation to bid in which the agency contemplates renewal of the contract must include the price for each year for which the contract may be renewed.
- 3. Evaluation of bids must include consideration of the total cost for each year of the contract, including renewal years, as submitted by the vendor.
- 4. The contract shall be awarded to the responsible and responsive vendor who submits the lowest responsive bid.
- (b) Request for proposals.—An agency shall use a request for proposals when the purposes and uses for which the commodity, group of commodities, or contractual service being sought can be specifically defined and the agency is capable of identifying necessary deliverables. Various combinations or versions of commodities or contractual services may be proposed by a responsive vendor to meet the specifications of the solicitation document.

Page 2 of 5

1. Before issuing a request for proposals, the agency must determine and specify in writing the reasons that procurement by invitation to bid is not practicable.

2. All requests for proposals must include:

53

54

55

56

57

58

59

60

61

62

63

64 65

66

67 68

69

70

71

72

73

74

75

76

77

78

- a. A statement describing the commodities or contractual services sought;
- b. The relative importance of price and other evaluation criteria; and
- c. If the agency contemplates renewal of the contract, a statement to that effect.
- 3. Criteria that will be used for evaluation of proposals must shall include, but are not limited to:
 - a. Price, which must be specified in the proposal;
- b. If the agency contemplates renewal of the contract, the price for each year for which the contract may be renewed; and
- c. Consideration of the total cost for each year of the contract, including renewal years, as submitted by the vendor: and-
- d. Consideration of prior relevant experience of the vendor.
- 4. The contract shall be awarded by written notice to the responsible and responsive vendor whose proposal is determined in writing to be the most advantageous to the state, taking into consideration the price and other criteria set forth in the request for proposals. The contract file shall contain documentation supporting the basis on which the award is made.

Page 3 of 5

(c) Invitation to negotiate.—The invitation to negotiate is a solicitation used by an agency which is intended to determine the best method for achieving a specific goal or solving a particular problem and identifies one or more responsive vendors with which the agency may negotiate in order to receive the best value.

79l

80

81 82

83

84

85

86

87

88

89

90

91

92

93

94

95

96

97

98

99

100

101

102

103

104

- 1. Before issuing an invitation to negotiate, the head of an agency must determine and specify in writing the reasons that procurement by an invitation to bid or a request for proposal is not practicable.
- 2. The invitation to negotiate must describe the questions being explored, the facts being sought, and the specific goals or problems that are the subject of the solicitation.
- 3. The criteria that will be used for determining the acceptability of the reply and guiding the selection of the vendors with which the agency will negotiate must be specified.

 The evaluation criteria must include consideration of prior relevant experience of the vendor.
- 4. The agency shall evaluate replies against all evaluation criteria set forth in the invitation to negotiate in order to establish a competitive range of replies reasonably susceptible of award. The agency may select one or more vendors within the competitive range with which to commence negotiations. After negotiations are conducted, the agency shall award the contract to the responsible and responsive vendor that the agency determines will provide the best value to the state,

Page 4 of 5

105 based on the selection criteria.

106

107

108

109110

111

112

5. The contract file for a vendor selected through an invitation to negotiate must contain a short plain statement that explains the basis for the selection of the vendor and that sets forth the vendor's deliverables and price, pursuant to the contract, along with an explanation of how these deliverables and price provide the best value to the state.

Section 2. This act shall take effect July 1, 2014.

Page 5 of 5

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #:

CS/HB 1143

Acme Improvement District, Palm Beach County

SPONSOR(S): Pafford TIED BILLS:

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local & Federal Affairs Committee	15 Y, 0 N	Flegiel	Rojas (A
2) State Affairs Committee		Moore	Camechis

SUMMARY ANALYSIS

The Wellington Medical Arts District (Medical Arts District) is an ongoing development project centered around the Wellington Regional Medical Center (Medical Center). The goal of the Medical Arts District is to use the Medical Center to attract new medically related uses and offices to create 5,000 - 6,000 jobs in western Wellington.

The Acme Improvement District (Acme) is a dependent special district of the Village of Wellington that is responsible for building and maintaining the drainage infrastructure within Acme's boundaries. Acme is also authorized to construct and maintain roads and parks and provide utilities within its boundaries.

In 2012, the Legislature extended the boundaries of Acme to include the Medical Arts District. At the same time, the Legislature contracted the boundaries of the Lake Worth Drainage District to remove the Medical Arts District from its jurisdiction. The purpose of this district realignment was to allow the Village of Wellington to develop the Medical Arts District using the powers of Acme.

The boundary expansion description in the 2012 act contained several errors. Due to the errors, the boundaries failed to include the Medical Center and southern portions of the Medical Arts District, erroneously included portions of suburbs to the north of the Medical Arts District, and created a gap in the boundary line on Acme's north border.

The bill corrects the boundaries for Acme contained in ch. 2012-256, L.O.F., by including the Medical Center and southern portions of the Medical Arts District, excluding the suburbs to the north of the Medical Arts District, and closing the boundary line gap. The bill also expands the boundaries to include five acres of land located along the northern edge of the Medical Arts District.

This bill will take effect upon becoming a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Wellington Medical Arts District

The northwest corner of State Road 7/U.S. 441 and Forest Hills Blvd. in Palm Beach County is the current home to the Wellington Regional Medical Center (Medical Center). In an effort to promote economic development and job creation in the area, the Village of Wellington is planning to create a dependent special district that will serve as "a premier wellness and healthcare treatment, medical education, and research destination." This dependent special district will be known as the Wellington Medical Arts District (Medical Arts District) and will cover approximately 212 acres, including the Medical Center.

Acme Improvement District

The Acme Improvement District (Acme) was created in 1953 as an independent special district with the responsibility of building and maintaining the drainage infrastructure within the district's boundaries.² In 1995, the Florida Legislature incorporated the Village of Wellington.³ Acme was subsequently designated as a dependent special district of the village. In addition to providing and maintaining the district's drainage infrastructure, Acme is authorized to construct and maintain roads and parks and provide utilities within its boundaries. At present, Acme borders the proposed Medical Arts District to the south and west.5

Lake Worth Drainage District

The Lake Worth Drainage District (Drainage District) is an independent special district that was created by judicial decree in 1915. The Drainage District is tasked with building and maintaining the drainage infrastructure within its boundaries. It is currently funded by a special assessment made on a per-acre basis.

Expansion of Acme District

In 2012, the Legislature passed ch. 2012-256, L.O.F., which removed the Medical Arts District from the Drainage District and placed it into Acme. This was done to allow the Village of Wellington and Acme to provide the needed infrastructure for the Medical Arts District. Because Acme has more general powers than the Drainage District, placing the Medical Arts District into Acme allowed revenue bonds to be issued for improvements such as roads, utilities, and parks. This facilitated the immediate development of the Medical Arts District. The drainage services for the Medical Arts District continue to be provided by the Drainage District through a service agreement with Acme.

The boundaries passed by the 2012 Legislature to include the Medical Arts District within Acme contained several errors. Due to the errors, the boundaries failed to include the Medical Center and

¹ Letter to Representative Joseph Abruzzo from Jeff S. Kurtz, Attorney for Acme Improvement District (Sept. 29, 2011) (on file with Community & Military Affairs Subcommittee).

Chapter 28557 (1953), L.O.F.

³ Chapter 95-496, L.O.F.

⁴ Chapter 2003-330, L.O.F.

⁵ See Map of Acme Improvement District, http://www.wellingtonfl.gov/images/stories/eServices/docs/AcmeDistrict.pdf.

⁶ Chapter 2012-256.

southern portions of the Medical Arts District, erroneously included portions of suburbs to the north of the Medical Arts District, and created a gap in the boundary line on Acme's north border.

Effect of Proposed Changes

The bill corrects the boundaries for Acme contained in ch. 2012-256, L.O.F., by including the Medical Center and southern portions of the Medical Arts District, excluding the suburbs to the north of the Medical Arts District, and closing the boundary line gap. The bill also expands the boundaries to include five acres of land located along the northern edge of the Medical Arts District.

The bill is effective upon becoming law.

B. SECTION DIRECTORY:

Section 1: Amends the boundaries of the extension of the Acme Improvement District contained in

ch. 2012-256, L.O.F.

Section 2: Provides that the bill will take effect upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN? December 1, 2013

WHERE? The Palm Beach Post, a daily and Sunday newspaper, published at West Palm Beach in

Palm Beach County, FL.

B. REFERENDUM(S) REQUIRED? Yes [] No [X]

IF YES, WHEN?

- C. LOCAL BILL CERTIFICATION FILED? Yes, attached [X] No []
- D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [X] ΝоП

III. COMMENTS

- A. CONSTITUTIONAL ISSUES: None.
- B. RULE-MAKING AUTHORITY: None.
- C. DRAFTING ISSUES OR OTHER COMMENTS: None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 20, 2014, the Local & Federal Affairs Committee adopted one amendment and reported the bill favorably as a committee substitute. The amendment clarifies the boundaries of the land that the bill adds to the Acme District and also adds an additional five acres to the Acme District.

STORAGE NAME: h1143b.SAC.DOCX

DATE: 3/24/2014

CS/HB 1143 2014

A bill to be entitled 1

> An act relating to the Acme Improvement District, Palm Beach County; amending chapter 2012-256, Laws of Florida; clarifying boundaries; providing an effective date.

6 7

2

3

4

5

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

8 9

Section 1. Section 1 of chapter 2012-256, Laws of Florida, is amended to read:

22

23

24

25

26

Section 1. Extension of Acme Improvement District boundaries. - The lands commonly known as the "Wellington Medical Arts District," more particularly described below, shall be added to the territorial limits of the Acme Improvement District, a dependent district of the Village of Wellington, existing in Palm Beach County, as codified under chapter 2003-330, Laws of Florida, and shall be removed from the territorial limits of the Lake Worth Drainage District, a corporation under the drainage laws of the state, existing in Palm Beach County, as codified under chapter 98-525, Laws of Florida. The purpose of the transfer of property from the Lake Worth Drainage District to the Acme Improvement District is to facilitate the development of the Wellington Medical Arts District as a premiere wellness, health care treatment, medical education, and research destination. The achievement of this development will create local and regional jobs and greatly expand educational

Page 1 of 8

27 opportunities in the area. The inclusion of these lands within the Acme Improvement District will create the opportunity to 28 29 enhance and expedite the delivery of infrastructure and services 30 to the Wellington Medical Arts District. The Wellington Medical 31 Arts District is more particularly described as follows: 32 A parcel of land being a portion of Block 18, The Palm Beach 33 County Farms Company Plat No. 3 as recorded in Plat Book 2, 34 pages 45 through to 54, all of Venra Development, LLC, as 35 recorded in Plat Book 97, pages 179 and 180, all of Wellington 36 MUPD, as recorded in Plat Book 101, pages 132 and 133, and all of Wellington Reserve Office Park, as recorded in Plat Book 103, 37 pages 178 through 180, all according to the plats thereof as 38 39 recorded in the public records of Palm Beach County, Florida, 40 and lying within with Section 12, Township 44 South, Range 41 41 East, Palm Beach County, Florida, Being more particularly 42 described as follows: 43 PARCEL 1 44 COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 12, THENCE NORTH 87° 53' 57" WEST ALONG THE NORTH LINE OF 45 SECTION 12, A DISTANCE OF 235.27 FEET; THENCE SOUTH 01° 38' 46 47 27" WEST ALONG A LINE LYING 240.00 FEET WEST OF (AS 48 MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE BASELINE OF SURVEY FOR STATE ROAD 7 (US 441) ACCORDING TO THE 49 50 FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAP 51 SECTION 93210-2519, SAID PARALLEL LINE BEING THE WEST RIGHT-OF-WAY LINE OF SAID STATE ROAD 7, AND THE EAST LINE 52

Page 2 of 8

53l

54

55

56

57

58

59

60

61

62

63

64

65

66

67

68 69

70

71

72

73

74

75

76

77

78

OF BLACK DIAMOND PHASE 1, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 94, PAGES 83 THROUGH 91, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, A DISTANCE OF 329.79 FEET; THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE SOUTH 01° 38' 26" WEST, A DISTANCE OF 7.18 FEET TO THE POINT OF BEGINNING; SAID POINT BEING THE SOUTHEAST CORNER OF TRACT C-1, OF SAID BLACK DIAMOND - PHASE 1; THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE OF STATE ROAD 7 FOR THE FOLLOWING FIVE COURSES, SOUTH 01° 38' 26" WEST, A DISTANCE OF 1992.65 FEET; THENCE SOUTH 01° 38' 18" WEST, A DISTANCE OF 1015.08 FEET; THENCE NORTH 89° 01' 51" EAST ALONG THE NORTH LINE OF TRACT 20, BLOCK 18, OF SAID PALM BEACH FARMS CO. PLAT NO. 3, A DISTANCE OF 2.66 FEET TO A POINT ON A LINE LYING 240.00 FEET WEST OF (AS MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE EAST LINE OF SAID SECTION 12; THENCE SOUTH 01° 30' 47" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 1026.20 FEET; THENCE SOUTH 03° 48' 15" WEST, A DISTANCE OF 896.51 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT-OF-WAY LINE OF FOREST HILL BOULEVARD, SAID POINT BEING ON A CURVE CONCAVE TO THE NORTH, HAVING A RADIAL BEARING OF NORTH 03° 41' 07" EAST, A RADIUS OF 5665.58 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 03°02'00", AN ARC DISTANCE OF 299.95 FEET TO A POINT OF TANGENCY; THENCE CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF FOREST HILL BOULEVARD FOR THE NEXT TWO COURSES NORTH 82° 08' 55"

Page 3 of 8

79

80

81

8283

84

85

86

87

88

89 90

91

92

93

94

95

96

97

98

99

100

101102

103

104

WEST, A DISTANCE OF 400.07 FEET; THENCE NORTH 80° 52' 41" WEST, A DISTANCE OF 4.48 FEET TO THE EAST RIGHT-OF-WAY LINE OF LAKE WORTH DRAINAGE DISTRICT S-5 CANAL AS RECORDED IN OFFICIAL RECORD BOOK 6813 AT PAGE 1513 OF SAID PUBLIC RECORDS, SAID EAST RIGHT-OF-WAY LINE LYING 255.91 FEET WEST OF (AS MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE EAST LINE OF TRACTS 27 AND 22, BLOCK 18; THENCE NORTH 01° 19' 04" WEST ALONG SAID EAST RIGHT-OF-WAY LINE, A DISTANCE OF 1129.11 FEET TO A POINT LYING ON THE NORTH LINE OF SAID TRACT 22, BLOCK 18; THENCE SOUTH 89° 04' 17" WEST ALONG THE NORTH LINE OF TRACTS 22, 23 AND 24, BLOCK 18, SAID NORTH LINE ALSO BEING THE NORTH RIGHT-OF-WAY LINE OF LAKE WORTH DRAINAGE DISTRICT S-5 CANAL AS RECORDED IN OFFICIAL RECORD BOOK 6813 AT PAGE 1513 OF SAID PUBLIC RECORDS, A DISTANCE OF 1561.60 FEET TO A POINT ON A LINE LYING 26.36 FEET EAST OF (AS MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE WEST LINE OF TRACTS 17 AND 16, BLOCK 18; THENCE ALONG SAID PARALLEL LINE AND EAST RIGHT-OF-WAY LINE OF SAID S-5 CANAL FOR THE FOLLOWING SEVEN COURSES, NORTH 01° 27' 57" EAST, A DISTANCE OF 1344.77 FEET TO THE NORTH LINE OF SAID TRACT 16, BLOCK 18; THENCE SOUTH 88° 59' 24" WEST ALONG SAID NORTH LINE AND WESTERLY EXTENSION THEREOF, A DISTANCE OF 53.29 FEET TO THE WEST LINE OF SAID BLOCK 18; THENCE NORTH 01° 25' 21" EAST ALONG SAID WEST LINE OF BLOCK 18, A DISTANCE OF 684.83 FEET; THENCE NORTH 88° 56' 58" EAST ALONG THE WESTERLY EXTENSION OF THE SOUTH LINE OF TRACT 9

Page 4 of 8

CS/HB 1143 2014

105	AND THE SOUTH LINE OF TRACT 9, BLOCK 18, DISTANCE OF 42.44
106	FEET; THENCE NORTH 01° 27' 57" EAST ALONG A LINE LYING
107	15.00 FEET EAST OF (AS MEASURED AT RIGHT ANGLES TO) AND
108	PARALLEL WITH THE WEST LINE OF SAID TRACT 9, BLOCK 18, A
109	DISTANCE OF 672.37 FEET TO THE CENTERLINE OF THE PLATTED 25
110	FOOT ROAD, DYKE AND DITCH RESERVATION LYING BETWEEN TRACTS
111	4 AND 9, OF SAID BLOCK 18; THENCE NORTH 88° 54' 32" EAST
112	ALONG SAID CENTERLINE, A DISTANCE OF 11.37 FEET; THENCE
113	NORTH 01° 27' 57" EAST ALONG A LINE LYING 26.36 FEET EAST
114	OF (AS MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE
115	WEST LINE OF TRACT 4, BLOCK 18, A DISTANCE OF 672.38 FEET
116	TO THE NORTH LINE OF SAID TRACT 4, BLOCK 18, SAID NORTH
117	LINE ALSO BEING THE SOUTH LINE OF TRACT C-1, OF SAID BLACK
118	DIAMOND - PHASE 1; THENCE NORTH 88° 52' 06" EAST ALONG THE
119	SOUTH LINE OF TRACTS C-1 AND P-2 OF SAID BLACK DIAMOND -
120	PHASE 1, A DISTANCE OF 1653.68 FEET TO THE SOUTHEAST CORNER
121	SAID TRACT P-2; THENCE NORTH 01° 19' 04" WEST ALONG THE
122	EAST LINE OF TRACTS P-2 AND C-1, A DISTANCE OF 345.30 FEET
123	TO THE SOUTH LINE OF SAID TRACT C-1; THENCE SOUTH 89° 10'
124	35" EAST ALONG THE SOUTH LINE OF TRACT C-2, A DISTANCE OF
125	725.10 FEET TO THE POINT OF BEGINNING.
126	CONTAINING 209.53 ACRES, MORE OR LESS
127	BEARINGS SHOWN HEREON ARE REFERENCED TO GRID BEARINGS BASED
128	ON FLORIDA STATE PLANE EAST ZONE, NORTH AMERICAN DATUM OF
129	1927, AS DETERMINED AND ACCORDING TO THE FLORIDA DEPARTMENT
130	OF TRANSPORTATION RIGHT-OF-WAY MAP FOR STATE ROAD 7, (US

Page 5 of 8

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

441) SECTION 93210-2519, THE EAST LINE OF SECTION 12 BEARS
NORTH 01° 30' 47" EAST AND ALL OTHER BEARING ARE RELATIVE
THERETO.
TOGETHER WITH:
PARCEL 2
BEING ALL OF TRACT C-1, TRACT L-1, TRACT P-2 AND TRACT C-
13, BLACK DIAMOND - PHASE 1, ACCORDING TO THE PLAT THEREOF,
AS RECORDED IN PLAT BOOK 94, PAGES 83 THROUGH 91, OF THE
PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.
CONTAINING 5.82 ACRES, MORE OR LESS
TOTAL SERVICE AREA OF PARCEL 1 AND PARCEL 2 CONTAIN 215.35
ACRES, MORE OR LESS.
COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 12,
THENCE RUN ALONG THE NORTHERLY LINE OF SAID SECTION
12, N87°54'23"W A DISTANCE OF 235.29 FEET TO A POINT
ON THE WESTERLY LINE OF STATE ROAD NO. 7 (U.S. 441);
SAID LINE ALSO BEING THE EASTERLY LINE OF THE PLAT OF
BLACK DIAMOND PHASE 1 AS RECORDED IN PLAT BOOK 94,
PAGE 63; THENCE, ALONG SAID WESTERLY RIGHT-OF-WAY
LINE, S01°38'03"W A DISTANCE OF 329.81 FEET; THENCE
CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE,
SO1°38'02"W A DISTANCE OF 7.18 FEET TO THE POINT OF
BEGINNING.
THENCE, CONTINUING ALONG WESTERLY RIGHT-OF-WAY LINE,
S01°38'03"W A DISTANCE OF 3012.52 FEET; THENCE
N88°51'26"E A DISTANCE OF 2.66 FEET; THENCE

Page 6 of 8

157 803°47'21"W A DISTANCE OF 896.86 FEET TO POINT ON A 158 CURVE CONCAVE TO THE NORTH, AND HAVING A RADIAL BEARING OF N33°40'40"E, AND A RADIUS OF 5665.58 FEET 159 160 AND BEING THE NORTHERLY RIGHT-OF-WAY LINE OF FOREST 161 HILL BOULEVARD (VARYING WIDTH RIGHT-OF-WAY); THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°20'00" 162 163 A DISTANCE OF 299.95 FEET TO THE POINT OF TANGENCY; 164 THENCE CONTINUING ALONG SAID NORTHERLY RIGHT-OF-WAY 165 LINE. N82°09'24"W A DISTANCE OF 400.00 FEET: THENCE 166 LEAVING SAID NORTHERLY RIGHT-OF WAY LINE, NO1°15'00"W 167 A DISTANCE OF 1125.81 FEET; THENCE S88°59'28"W A 168 DISTANCE OF 1583.23 FEET; THENCE NO1°31'07"E A 169 DISTANCE OF 1371.99 FEET TO THE SOUTH LINE OF TRACT 170 10, SAID BLOCK 18, THENCE ALONG SAID SOUTHERLY LINE, 171 S88°59'11"W A DISTANCE OF 26.92 FEET TO THE 172 SOUTHWESTERLY CORNER OF SAID TRACT 10; THENCE ALONG THE WESTERLY LINE OF SAID TRACT 10, NO1°28'33"W A 173 DISTANCE OF 661.12 FEET TO THE NORTHWESTERLY CORNER OF 174 175 SAID TRACT 10; THENCE, ALONG THE NORTHERLY LINE OF SAID TRACT 10, N88°59'36"E A DISTANCE OF 27.42 FEET; 176 THENCE NO1°31'07"E A DISTANCE OF 1346.19 FEET TO A 177 178 POINT ON THE SOUTHERLY LINE OF THE PLAT OF BLACK 179 DIAMOND PHASE 1, AS RECORDED IN PLAT BOOK 94, PAGE 83, 180 THENCE ALONG THE BOUNDARY OF SAID PLAT OF BLACK 181 DIAMOND PHASE 1. THE FOLLOWING COURSES, N88°51'26"E A 182 1709.24 FEET; THENCE NO1°19'46"W A

Page 7 of 8

183	DISTANCE OF 343.52 FEET; THENCE N89°12'13"W A DISTANCE	
184	OF 725.10 FEET TO THE POINT OF BEGINNING.	
185	WHICH INCLUDES THE TWO (2) 25 FEET LAKE WORTH DRAINAGE	
186	DISTRICT RIGHTS-OF-WAYS AS RECORDED IN PLAT BOOK 2,	
187	PAGES 45-54, AND SPECIFICALLY EXCLUDES THE LAKE WORTH	
188	DRAINAGE DISTRICT S-5 CANAL AS RECORDED IN OFFICIAL	
189	RECORD BOOK 9813, PAGE 1513.	
190	CONTAINING 211.561-ACRES.	
191	AND TRACTS: TRACT "C-1," TRACT "L-1," TRACT "P-2," AND	
192	TRACT "C-13" OF THE BLACK DIAMOND PHASE 1 PLAT AS	
193	RECORDED IN PLAT BOOK 83, PAGE 94 WITH SAID ADDITIONAL	
194	ACREAGE OF 11.33 ACRES (MORE OR LESS).	
195	PROVIDING FOR A TOTAL MEDICAL ARTS DISTRICT ACREAGE OF	
196	222.891 ACRES (MORE OR LESS).	
197		
198	Section 2. This act shall take effect upon becoming a l	aw.

Page 8 of 8

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #:

HB 1145

West Palm Beach Police Pension Fund

SPONSOR(S): Kerner

TIED BILLS:

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local & Federal Affairs Committee	18 Y, 0 N	Flegiel	Rojas
2) State Affairs Committee		Moore AM	Camechis

SUMMARY ANALYSIS

The West Palm Beach Police Pension Fund (pension fund) was created by the Florida Legislature in 1947. Each police officer employed by the City of West Palm Beach Police Department is a pension fund participant.

The bill changes the required employee contribution rate to the pension fund as follows:

- Decreased from 18 percent to 11 percent for fiscal year 2012-2013;
- Increased from 11 percent to 20 percent for fiscal year 2013-2014; and
- Set at 11 percent for fiscal year 2014-2015 and each following fiscal year.

The bill requires the city to use Chapter 185, F.S., tax (premium tax) funds to lower the actual employee contribution rate in fiscal year 2013-2014 from 20 percent to 11 percent, and requires the city to provide additional funding if the tax funds are not enough to lower the actual rate to 11 percent. The bill specifies that contributions from premium tax funds are not employee contributions for contribution refund purposes.

These changes are necessary to reflect a collective bargaining agreement between the City of West Palm Beach and the Palm Beach County Police Benevolent Association.

According to the Economic Impact Statement, the bill reduces annual costs to the City of West Palm Beach for the pension fund by \$1,067,596 in fiscal year 2014-2015.

The bill takes effect upon becoming a law.

DATE: 3/25/2014

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Governmental Unit Retirement and Pension Systems

Article X, section 14 of the Florida Constitution prohibits a governmental unit responsible for a retirement or pension system supported wholly or partially by public pension funds from providing, after January 1, 1977, an increase in benefits to members or beneficiaries without concurrent provisions for funding the increase on a sound actuarial basis.

The Florida Protection of Public Employee Retirement Benefits Act

Part VII of chapter 112, F. S., entitled the Florida Protection of Public Employee Retirement Benefits Act (Act), was adopted by the Legislature to implement the provisions of article X, section 14 of the Constitution. This Act establishes minimum standards for operating and funding public employee retirement systems and plans. The Act is applicable to all units of state, county, special district, and municipal governments participating in or operating a retirement system for public employees that is funded in whole or in part by public funds.

Florida law prohibits a unit of local government from agreeing to a proposed change in retirement benefits unless the administrator of the system, prior to adoption of the change by the governing body and prior to the last public hearing thereon, has issued a statement of the actuarial impact of the proposed change on the local retirement system, consistent with the actuarial review, and has furnished a copy of such statement to the Division of Retirement in the Department of Management Services.¹ The statement must also indicate whether the proposed changes are in compliance with article X, section 14 of the Constitution and with s. 112.64, F.S., which contains requirements relating to administration of funds and amortization of unfunded liability.

Pursuant to article III, section 11(a)(21) of the Constitution, s. 112.67, F.S., prohibits special laws in conflict with the requirements of the Act.

Firefighter and Police Pensions: Chapters 175 and 185, F.S.

Chapters 175 and 185, F.S., provide the statutory authority for municipal and special fire control district firefighter pensions as well as municipal police pensions. These laws were enacted by the Legislature to provide a "uniform retirement system" providing defined benefit plans for firefighters and police officers, and setting standards for operation and funding of these systems. Retirement systems or plans must be managed, administered, operated, and funded in such a manner as to maximize the protection of the retirement trust funds.

Chapter 175, F.S., was enacted in 1939 to provide an incentive—access to premium tax revenues—to encourage the establishment of firefighter retirement plans by Florida cities. Fourteen years later, in 1953, the Legislature enacted Chapter 185, F.S., which created a similar funding mechanism for retirement plans for municipal police officers. Special fire control districts became eligible to participate in the incentive provided by Chapter 175, F.S., in 1993.

Funding for these pension plans comes from four sources: (1) net proceeds from an excise tax levied by a city upon property and casualty insurance companies (known as the "premium tax"), (2) employee contributions, (3) other revenue sources, and (4) mandatory payments by the city of any extra amount needed to keep the plan solvent. To qualify for premium tax dollars, plans must provide minimum benefits and have minimum standards as specified in Chapters 175 and 185, F.S. Responsibility for

¹ See s. 112.63, F.S.

STORAGE NAME: h1145b.SAC.DOCX

DATE: 3/25/2014

overseeing and monitoring these plans is assigned to the Division of Retirement in the Department of Management Services, but day-to-day operational control rests with local boards of trustees. Most Florida firefighters and municipal law enforcement officers participate in these plans.

The West Palm Beach Police Pension Fund

The West Palm Beach Police Pension Fund (pension fund) was created by the Florida Legislature in 1947.² Each police officer employed by the City of West Palm Beach Police Department is a pension fund participant. As of September 30, 2013, the pension fund had 217 active members, 139 deferred retirement option program participants,³ and 262 retirees and beneficiaries. The pension fund has assets in excess of \$238 million.⁴

Pursuant to s. 185.35, F.S., premium tax dollars are used to pay for "extra benefits" for police officers, i.e., benefits in addition to or greater than those provided to general employees of the municipality and in addition to those in existence for police officers on March 12, 1999.⁵ Effective October 1, 2011, the member contribution rate for the pension fund was increased from 11 to 18 percent, and was then reduced back to 11 percent on October 1, 2013. The seven percent increase during this period was not contributed by the member, but was instead funded using the premium tax dollars received by the city in 2011 and 2012 as an extra benefit. This procedure (as well as the other reductions in benefits) was designed to allow the City of West Palm Beach to use the premium tax funds from 2011 and 2012 to help reduce the city's contribution requirements and improve the stability of the pension fund.⁶ Premium tax funds received in 2013 reverted back to the supplemental share plan⁷ for the benefit of the police officers.

Under current law, the employee contributions to the pension fund are as follows:

Fiscal Year	Required Employee Contribution Rate	Contribution from Premium Tax Funds and City	Actual Employee Contribution Rate
2011-2012	18%	7%	11%
2012-2013	18%	7%	11%
2013-2014 and onward	11%	0%	11%

Effect of Proposed Changes

The bill amends ch. 24981 (1947), L.O.F., as amended by ch. 2012-259, L.O.F., relating to the West Palm Beach Police Pension Fund, to reflect changes to the collective bargaining agreement between the City of West Palm Beach and the Palm Beach County Police Benevolent Association.

The bill changes the required employee contribution rates as follows:

- Decreased from 18 percent to 11 percent for fiscal year 2012-2013;
- Increased from 11 percent to 20 percent for fiscal year 2013-2014; and
- Set at 11 percent for fiscal year 2014-2015 and each following fiscal year.

The bill requires the city to use premium tax funds from years 2011, 2012, and 2014 to reduce the actual employee contribution rate from 20 percent to 11 percent for fiscal year 2013-2014. This will

STORAGE NAME: h1145b.SAC.DOCX

² See, ch. 24981 (1947), L.O.F., as amended by ch. 2010-245, L.O.F.

³ A deferred retirement option program allows an employee to elect to defer receipt of retirement benefits while continuing employment with his or her employer while the deferred monthly benefits accrue, plus interest, for a specified period of time.

⁴ http://wpbppf.com/, last visited on March 17, 2014.

⁵ Section 185.35(2)(b), F.S.

⁶ See, Substantive Bill Analysis for HB 1301, Department of Management Services, January 11, 2012 (on file with the Government Operations Subcommittee).

⁷ Pursuant to s. 185.02(15), F.S., a "supplemental plan" means a plan to which deposits of the premium tax moneys are made to provide extra benefits for police officers.

allow the City of West Palm Beach to maximize the use of premium tax funds received in years 2011, 2012, and 2014. If the premium tax funds are not enough to reduce the employee contribution from 20 percent to 11 percent, the city must provide funding for any shortfall.

Under the bill, employee contributions to the pension fund are as follows:

Fiscal Year	Required Employee Contribution Rate	Contribution from Premium Tax Funds and City	Actual Employee Contribution Rate
2011-2012	18%	7%	11%
2012-2013	11%	0%	11%
2013-2014	20%	9%	11%
2014-2015 and onward	11%	0%	11%

The bill clarifies that premium tax funds received in 2013 and 2015 onward will be allocated to employee share accounts. The bill specifies that no amount of premium tax funds are to be considered employee contributions for the purposes of a refund of contributions.

B. SECTION DIRECTORY:

Section 1:

Amends ss. 11 and 19 of ch. 24981 (1947), L.O.F., as amended by ch. 2012-259,

L.O.F., relating to the West Palm Beach Police Pension Fund.

Section 2:

Provides an effective date.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN?

January 13, 2014

WHERE?

The Palm Beach Post, a daily and Sunday newspaper, published at West Palm Beach in Palm Beach County, FL.

B. REFERENDUM(S) REQUIRED? Yes [] No [X]

IF YES, WHEN?

- C. LOCAL BILL CERTIFICATION FILED? Yes, attached [X] No []
- D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [X] ΝоП

According to the Economic Impact Statement, the bill reduces costs to the City of West Palm Beach for the pension plan by \$1,067,596 for fiscal year 2014-2015.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 20, 2014, the Local & Federal Affairs Committee adopted one technical amendment and reported the bill favorably as a committee substitute. The amendment struck redundant language and clarified the intent of the bill to keep the member contribution rate at 11 percent in fiscal year 2014-2015 and beyond.

This analysis has been updated to reflect the amendment.

STORAGE NAME: h1145b.SAC.DOCX

DATE: 3/25/2014

A bill to be entitled

An act relating to the City of West Palm Beach, Palm

Beach County; amending chapter 24981 (1947), Laws of

Florida, as amended, relating to the West Palm Beach

Police Pension Fund; revising funding of share

accounts, member contributions, and refunds; providing

an effective date.

8

9

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

10 11

12

13

14

15

16

17

18

19

20

21

22

23

25

26

Section 1. Paragraph (b) of subsection (11) and subsection (19) of section 16 of chapter 24981 (1947), Laws of Florida, as amended, are amended to read:

Section 16. West Palm Beach Police Pension Fund.-

- (11) Chapter 185 share accounts.-
- (b) Share account funding.-
- 1. Chapter 185 moneys.—Each individual member account shall be credited with the moneys received from chapter 185, Florida Statutes, tax revenues in June 1988 and thereafter. Of the Chapter 185 moneys received in calendar years 2011, and 2012, and 2014, the full amount will be used to reduce the employee contributions to 11 percent as provided for in subparagraph (19)(a)1. This is for calendar years 2011, and 2012, and 2014 only. Effective for the fiscal year ending September 30, 2013, and beginning again October 1, 2014 2013, the employee contribution will once again be 11 percent, and all

Page 1 of 5

of the Chapter 185 moneys received in calendar <u>years</u> year 2013 and 2015 and each calendar year and thereafter will once again be allocated to the share accounts.

- 2. Forfeitures.—In addition, any forfeitures as provided in paragraph (e) shall be credited to the individual member accounts in accordance with the formula set forth in paragraph (c).
 - (19) Member's contributions; refunds.-
 - (a) Member's contributions.-

30

31

32 33

34

351

36 37

38

39

40 41

42

43

44

45 46

47

48

49

50 51

52

1. The member shall contribute 7 percent of his or her salary to the Fund. Effective the first full payroll period after January 1, 2005, the member shall contribute 9 percent of his or her salary to the Fund, which shall be deducted each pay period from the salary of each member in the Department. Effective the first full payroll period after January 1, 2006, the member shall contribute 10 percent of his or her salary to the Fund, which shall be deducted each pay period from the salary of each member in the Department. Effective the first full payroll period after January 1, 2007, the member shall contribute 11 percent of his or her salary to the Fund, which shall be deducted each pay period from the salary of each member in the Department. All amounts of member contributions that are deducted shall be immediately paid over to the Pension Fund. Any contribution amount over 7 percent is to be used to purchase eligibility for participation in the postretirement health insurance benefits. Effective October 1, 2011, the employee

Page 2 of 5

53İ

contributions will be 18 percent and effective October 1, 2013, the employee contribution will be 20 percent. Of the Chapter 185 moneys received in calendar years 2011, and 2012, and 2014, the full amount will be used to reduce the employee contributions to 11 percent. Effective for the fiscal year ending September 30, 2013, and beginning again October 1, 2014 2013, and each fiscal year thereafter, the employee contributions will once again be 11 percent, and the Chapter 185 moneys received in calendar years year 2013 and 2015 and each calendar year thereafter will once again be allocated to the share accounts. Should the Chapter 185 moneys received be insufficient to reduce the member's contributions to 11 percent, then the City will make up the difference. No amount of the Chapter 185 money is to be considered employee contributions for purposes of a refund of contributions as provided for in paragraph (19)(b).

2. The City shall cause the contributions provided for in subparagraph 1. to be deducted from the compensation of each member on each payroll, for each pay period, so long as he or she remains a member of the Fund. The member's contributions provided for herein shall be made, notwithstanding that the minimum compensation provided by law for any member is thereby changed. Each member shall be deemed to consent and agree to the deductions made and provided for herein. Payment of compensation, less said deductions, shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by him or her during the period

Page 3 of 5

covered by such payment, except as to benefits provided by this act. When deducted, each of said contributions shall be paid into the Fund and credited to the individual member from whose compensation said deduction was made.

79l

- 3. In addition to the contribution deducted from the compensation of a member, as hereinbefore provided, a member shall deposit in the Fund, by a single contribution or by an increased rate of contribution, as approved by the Board of Trustees, the amount of previously withdrawn member contributions not repaid to the Fund, together with regular interest from the date of withdrawal to the date of repayment. In no case shall any member be given credit for service rendered prior to the date he withdrew his aggregate contributions until he or she repays to the member's deposit account all amounts due the account by such member.
 - (b) Refund of member's contributions.
- 1. Should any member cease to be employed by the City as a police officer and not be entitled to a pension payable from the Fund, upon application to and approval by the Board, he or she shall be paid the aggregate contributions standing to his or her credit in the Fund, without interest, less any benefits paid to him or her. In accordance with paragraph (2)(q), a member who has ceased to be employed by the City as a police officer may elect to voluntarily leave his or her contributions in the member's deposit account for a period of up to 5 years, pending the possibility of being rehired by the Department. If the

Page 4 of 5

member is not reemployed at the expiration of 5 years following the date the member ceased to be employed by the City as a police officer, all contributions remaining in the member's deposit account shall be refunded without interest. No amount of the Chapter 185 money is to be considered employee contributions for purposes of a refund of contributions as provided for in this paragraph.

- 2. Upon the death of a member, if no pension becomes payable on account of his or her death, the aggregate contributions standing to the member's credit in the Fund at the time of death shall be paid to his or her designated beneficiary. If there be no such designated person surviving the member, his or her aggregate contributions shall be paid to his or her estate in accordance with subsection (17).
- 3. Repayments of refunds of a member's aggregate contributions, in accordance with subsection (6) and as provided in this paragraph, may be made in bimonthly installments according to such rules and regulations as the Board of Trustees shall from time to time adopt.
 - Section 2. This act shall take effect upon becoming a law.

Page 5 of 5

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #:

HB 1297

Lealman Special Fire Control District, Pinellas County

SPONSOR(S): Peters

TIED BILLS:

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local & Federal Affairs Committee	16 Y, 0 N	Kelly	Rojas I D
2) State Affairs Committee		Kaiser 🗡	Camechis

SUMMARY ANALYSIS

The Lealman Special Control Fire District (District) was created by special act of the Legislature in 2000. Pending referendum approval, ch. 2000-426, L.O.F, established geographic boundaries and an elected governing board for the district, provided the powers of the district, and authorized district ad valorem taxing authority of up to 10 mills. On November 7, 2000, district electors approved creation of the district. The district serves a relatively low-income unincorporated area between St. Petersburg and Pinellas Park, which consists of approximately 11 square miles and less than 50,000 residents, and presently employs 50 full-time personnel including staff and firefighters.

Since 2000, neighboring cities have selectively annexed the most tax-desirable properties in the community, such as industrial parks, restaurants, car dealerships, and other businesses.

Currently, ch. 2000-426, L.O.F., provides that if a municipality annexes unincorporated territory within district boundaries before July 1, 2016, the district will continue as the sole provider of fire and rescue services for the annexed area. A municipality may levy any applicable taxes, assessments, or fees on the annexed territory, but is required to pay the district an amount equal to the amount of taxes, assessments, or fees that would have been collected by the district. These payments continue in perpetuity unless the district is relieved of all fire, rescue or emergency medical service responsibilities in the annexed territory.

HB 1297 removes the sunset provision of July 1, 2016, as provided in ch. 2000-426, L.O.F. Therefore, unless the Legislature further amends the special act, if a municipality annexes unincorporated territory within district boundaries at any time in the future, the district will continue as the sole provider of fire and rescue services for the annexed area. A municipality may levy any applicable taxes, assessments, or fees on the annexed territory, but is required to pay the district an amount equal to the amount of taxes, assessments, or fees that would have been collected by the district. These payments continue in perpetuity unless the district is relieved of all fire, rescue or emergency medical service responsibilities in the annexed territory.

This bill does not have a fiscal impact on state government.

DATE: 3/20/2014

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background Information

Chapter 191, F.S., the "Independent Special Fire Control District Act"

An "independent special fire control district" is defined as an independent special district¹ created by a special law or general law of local application, providing fire suppression and related activities within the jurisdictional boundaries of the district.²

Chapter 191, F.S., the "Independent Special Fire Control District Act," provides general and special powers for fire control districts, and addresses district creation, expansion and merger, and funding mechanisms. Section 191.002, F.S., sets forth the act's purpose, which is to:

- Provide standards, direction and procedures concerning district operations and governance;
- Provide greater uniformity in operations and authority;
- Provide greater uniformity in financing authority without hampering the efficiency and effectiveness of currently authorized and implemented methods and procedures of raising revenue;
- Improve communication and coordination between special fire control districts and other local governments with respect to short-range and long-range planning to meet the demands for service delivery while maintaining fiscal responsibility; and
- Provide uniform procedures for electing members of district governing boards to ensure greater accountability to the public.

Unless otherwise exempted by special or general law, this 1997 act requires each district to comply with its provisions. The act further provides that it is the intent of the Legislature that the act supersedes all special acts or general laws of local application provisions that contain the charter of a district and which address the same subjects as the act, except where such laws address district boundaries and geographical subdistricts for the election of governing board members. Chapter 191, F.S., also does not repeal any authorizations providing for the levying of ad valorem taxes, special assessments, non-ad valorem assessments, impact fees, or other charges.

District Funding Mechanisms

Section 191.009, F.S., authorizes special fire control districts to levy ad valorem taxes, special assessments, user charges and impact fees.

Ad Valorem Taxes

An elected board may levy ad valorem taxes on all taxable property in the district to construct, operate and maintain district facilities and services, to pay the principal of, and interest on, general obligation bonds of the district, and to provide for any sinking or other funds established in connection with such bonds. An ad valorem tax levied by the board may not exceed 3.75 mills unless a higher amount has been previously authorized by law, subject to a referendum as required by the State Constitution and the act. The levy of ad valorem taxes must be approved by referendum called by the board when the proposed levy of ad valorem taxes exceeds the amount authorized by prior special act, general law of

¹ See, s. 189.403, F.S., for a definition of "independent special district."

STORAGE NAME: h1297b.SAC.DOCX DATE: 3/20/2014

² Section 191.003(5), F.S. The term does not include a municipality, a county, a dependent special district as defined in s. 189.403, F.S., a district providing primarily emergency medical services, a community development district established under ch. 190, F.S., or any other multiple-power district performing fire suppression and related services in addition to other services.

local application, or county ordinance approved by referendum. The tax is assessed, levied and collected in the same manner as county taxes.

Non-Ad Valorem Assessments

A district also may levy non-ad valorem assessments to construct, operate and maintain district facilities and services. The rate of such assessments must be fixed by resolution of the board pursuant to statutory procedures. Non-ad valorem assessment rates set by the board may exceed the maximum rates established by special act, county ordinance, the previous year's resolution, or referendum in an amount not to exceed the average annual growth rate in Florida personal income over the previous five years. Proposed non-ad valorem assessment increases which exceed the rate set the previous fiscal year or the rate previously set by special act or county ordinance, whichever is more recent, by more than the average annual growth rate in Florida personal income over the last five years, or the first-time levy of non-ad valorem assessments in a district, must be approved by referendum.

User Charges

A district may provide a reasonable schedule of user charges for the following services:

- Special emergency services, including firefighting occurring in structures outside the district;
- Fighting fires occurring in or at refuse dumps or as a result of an illegal burn;
- Responding to or assisting or mitigating emergencies that could threaten the health and safety
 of persons, property or the environment, to which the district has been called, including a charge
 for responding to false alarms; and
- Inspecting structures, plans and equipment to determine compliance with fire safety standards.

Impact Fees

If the general purpose local government has not adopted an impact fee for fire services which is distributed to the district for construction within its jurisdictional boundaries, a district may establish a schedule of impact fees to pay for the cost of new facilities and equipment. A district also may enter into agreements with general purpose local governments to share the revenues from fire protection impact fees.

Independent special fire control districts also are authorized to issue various types of bonds, including general obligation bonds, assessment bonds, revenue bonds, notes, bond anticipation notes or other evidences of indebtedness.³

Municipal Annexation within an Independent Special District

Chapter 171, F.S., the "Municipal Annexation or Contraction Act," contemplates a municipality's annexation of property within the jurisdictional boundaries of an independent special district. If the municipality elects to assume the special district's service responsibilities, the municipality and the district may enter into an interlocal agreement which provides for the orderly transfer of service responsibilities. This agreement also must address the prevention of loss of any district revenues which may be detrimental to the continued operations of the district, and the status and rights of any adversely affected employees.⁵

If the municipality and the district are unable to enter into an interlocal agreement, the district remains the service provider in the annexed area for a period of four years. During the four-year period, the

DATE: 3/20/2014

³ See, s. 191.012, F.S.

⁴ See, s. 171.093, F.S.

If the municipality elects to assume the district's responsibilities pursuant to an interlocal agreement, the district's boundaries contract to exclude the annexed area at the time and in the manner as provided in the agreement.

STORAGE NAME: h1297b.SAC.DOCX

municipality is required to pay the district an amount equal to the ad valorem taxes or assessments that would have been collected had the property remained in the district. By the end of the four-year period, or any mutually agreed-upon extension, the municipality and the district are required to enter into an agreement for the equitable distribution of the district's property and associated indebtedness, or the matter proceeds to circuit court.

During the four-year period, or any mutually agreed upon extension, district service and capital expenditures within the annexed area must be rationally related to the annexed area's service needs. Service and capital expenditures within the annexed area also must be rationally related to the percentage of district revenue received on behalf of the residents of the annexed area when compared to the district's total revenue. A capital expenditure greater than \$25,000 cannot be made by the district for use primarily within the annexed area without the express consent of the municipality.

If the municipality elects not to assume the district's responsibilities, the district remains the service provider for the annexed area, the geographical boundaries of the district continue to include the annexed area, and the district may continue to levy ad valorem taxes and assessments on the real property located within the annexed area.

Pinellas County

Pinellas County residents receive fire protection and emergency medical services through a complex system requiring cooperation between 14 municipalities and four independent special fire districts (East Tarpon Lake, Lealman, Palm Harbor and Pinellas Suncoast Fire and Rescue District). This system evolved over time as the county became more densely populated and developed.⁷ Ad valorem taxes levied on property are the primary funding source for these local government services, which had an estimated countywide cost of \$210.9 million in Fiscal Year 2008-2009.⁸

The Office of Program Policy Analysis & Government Accountability (OPPGA) report presented to the Joint Legislative Auditing Committee on March 8, 2010, recommended that Pinellas County would benefit from the establishment of a broad-based planning entity to oversee a more coordinated approach to planning for fire protection and emergency medical services, and the creation of a system for reporting and tracking related financial information.

The Lealman Special Fire Control District

The Lealman Special Control Fire District was created by the Legislature in 2000. Pending referendum approval, ch. 2000-426, L.O.F, established geographic boundaries and an elected governing board for the district, provided the powers of the district, and authorized district ad valorem taxing authority of up to 10 mills. On November 7, 2000, district electors approved creation of the district.

The district serves an unincorporated area between St. Petersburg and Pinellas Park,⁹ which consists of approximately 11 square miles and less than 50,000 residents, and presently employs 50 full-time personnel including staff and firefighters.

Lealman is located in a relatively low-income area of unincorporated Pinellas County, and relies on commercial property within its boundaries to support its tax base. Since 2000, neighboring cities have

⁶ If the municipality elects to assume the district's responsibilities and the municipality and the district are unable to enter into an interlocal agreement, and the district continues to remain the service provider in the annexed area, the geographical boundaries of the district contract to exclude the annexed area on the effective date of the beginning of the four-year period. The district may not levy ad valorem taxes on the annexed property in the calendar year in which its boundaries contract, but may assess user charges and impact fees within the area while it remains the service provider.

Office of Program Policy Analysis & Government Accountability, February 2010, Report No. 10-25.

⁸ Id. One of the independent special fire districts, Pinellas Suncoast Fire and Rescue District, receives its funding from a fire services assessment.

⁹ Seminole is on the west end, and Kenneth City lies in the middle of the fire control district. **STORAGE NAME**: h1297b.SAC.DOCX

selectively annexed the most tax-desirable properties in the community, such as industrial parks, restaurants, car dealerships and other businesses, and thus shifted approximately \$400,000 per year in fire taxes onto remaining district residents. As a direct result of the annexations, the district must levy a high millage rate.¹⁰

In 2002-2003, the district's millage rate was 5.32 mills, and in 2004-2005, the rate was 4.99. The district's millage rates and total revenues for the past six years were as follows:

Year	Millage Rate	Total Revenues
2005-2006	4.70	\$6,381,506
2006-2007	4.30	\$6,956,070
2007-2008	3.69	\$7,458,324
2008-2009	3.98	\$6,785,325
2009-2010	4.48	\$6,912,441
2010-2011	4.48	\$5,891,206
2011-2012	4.48	\$5,170,101
2012-2013	4.48	Not reported yet

Thus, although the current district millage rate is less than it was in 2002, it has increased since Fiscal Year 2008-2009, while district revenues have correspondingly decreased ¹¹. The average Pinellas County fire service millage rate has increased from 2.40 in 2002 to 2.72 in 2011, with the highest rates levied by Lealman.

Recently, the drop in property values has reduced annexation pressure from the cities. However, it is assumed that annexation activity will increase along with property values. Another problem associated with annexation is the fact that the original fire control district, Lealman Fire/Rescue Company, entered into a 1990 countywide mutual aid agreement under which the closest fire unit goes to a fire or accident regardless of the jurisdiction. This agreement requires Lealman to respond to events in areas that have been annexed from the district and from which it receives no tax revenues.¹²

The original charter for the district provided that property within its boundaries annexed by a municipality would be treated as lying within the corporate boundaries of the municipality, and no longer subject to a levy of ad valorem taxes by the district. This act also provided that the property was excluded from the district effective the next January 1 following annexation.¹³

The charter was amended in 2002¹⁴ by the Legislature effective January 1, 2003, to protect the district from annexation in that it provided that the district would continue to provide services to any annexed area and continue as the sole taxing authority (although a municipality or fire control district that annexed district land could collect the tax and pay the district for such services at its annually adopted standard rate). These provisions were scheduled to essentially revert to original charter language effective January 1, 2008.¹⁵

¹⁵ Chapter 2002-352, L.O.F.

STORAGE NAME: h1297b.SAC.DOCX

DATE: 3/20/2014

¹⁰ Chris Lyon, Lewis, Longman & Walker, P.A, attorney for the district.

¹¹ Local Government Financial Reports, available at https://apps.fldfs.com/LocalGov/Reports/default.aspx.

¹² It is noted that, pursuant to Section 9 of this agreement, a party may withdraw upon 90 days written notice.

¹³ Chapter 2000-426, L.O.F.

Also, this year, the Pinellas County Planning Department issued a "Lealman Incorporation Feasibility Study," responding to requests from Lealman residents to the Board of County Commissioners, to determine the feasibility of incorporating Lealman. The residents wanted to preserve the integrity of their community, and to protect the tax base of the special fire control district. Taxable values in Lealman were found to be significantly lower (approximately one-half) than those in the rest of the unincorporated county. The study found that if Lealman were to incorporate, the new government would have to look at other revenue sources for basic operating expenses that ad valorem revenues would not cover. The report estimated that if Lealman were to incorporate, taxes and fees would increase significantly, between 3.6 and 68.6 percent.

In 2007, the Legislature created the Lealman Special Fire Control District Task Force to review the foregoing provisions governing district land annexation, and consider whether the future repeal of those changes should be rescinded. The Legislature also amended the district charter to reflect original charter language effective July 1, 2008, rather than January 1 of that year. The Task Force issued a report to the Pinellas County Legislative Delegation on October 29, 2007, which recommended that the most productive way to move forward was to pursue interlocal agreements between the various parties covering the issues of annexation and reimbursement for fire services.

Lealman entered into a settlement agreement with the City of Pinellas Park dated February 7, 2007, resolving Lealman *Special Fire Control District v. City of St. Petersburg and City of Pinellas Park*, which provides that the city will not annex property within the district for a period of 10 years.¹⁷

Additionally, Lealman entered into an interlocal agreement with the City of Seminole on November 13, 2007, which provides that the city will not annex within the district for a period of 15 years.

On August 13, 2010, Lealman filed a two-count petition against the Town of Kenneth City. *Lealman Special Fire Control District v. Town of Kenneth City*, Case No. 10-000046AP-88B, was assigned to the appellate division of the Sixth Judicial Circuit in Pinellas County. The actions filed by the district sought to quash the town's annexation of 16 properties that were formerly within the district's boundaries on grounds that the annexations violated applicable laws. Specifically, the district alleged that the town's annexations failed to comply with procedural requirements; created enclaves, pockets or finger areas; failed to result in a reasonable, compact, urban municipal boundary; and deprived the district of revenue and increased the tax burden on the district's remaining taxpayers as the district continues to be obligated under existing mutual aid agreements to respond to many of the annexed properties. Additionally, the district sought to compel the town to comply with the provisions in ch.171, F.S. Specifically, the district requested the court compel the town to coordinate with the district on the orderly transition of fire and rescue services within the annexed properties, and pay the district its lost ad valorem revenue for fire district services for a four-year period pursuant to s. 171.093, F.S. ¹⁸

The action in this Court was stayed for the parties to complete the conflict resolution procedure. The parties completed mediation and reached an impasse in the dispute resolution process, and an Order Lifting Stay was entered on February 21, 2013.

In August 2013, the Sixth Judicial Circuit granted the petition to challenge the Town of Kenneth's voluntary annexation of 16 parcels within the District's jurisdictional boundaries. Accordingly, the court held the Town did not observe the essential requirements of law when it approved the annexation ordinances.¹⁹

In 2012, the Legislature passed HB 1033 which amended ch. 2000-426, L.O.F., the charter for the Lealman Fire Control District in Pinellas County. The amended charter now provides that, notwithstanding s. 171. 093, F.S., if a municipality annexes unincorporated territory within the boundaries of the district before July 1, 2016, the district will continue as the sole provider of fire and rescue services for the annexed area. A municipality may levy any applicable taxes, assessments, or fees on the annexed territory, but is required to pay the district an amount equal to the amount of taxes,

Lealman Special Fire Control Dist. v. Town of Kenneth City, No. 10-000046AP-88B (Fla. 6th Cir. App. Ct. 2013). STORAGE NAME: h1297b.SAC.DOCX

DATE: 3/20/2014

¹⁶ Chapter 2007-288, L.O.F.

¹⁷ A later settlement stipulation executed by the parties on May 21, 2008, appears to make this moratorium effective until May 21, 2016.

¹⁸A letter provided to the legislature dated March 15, 2010, from the Town of Kenneth City Major, Teresa Zemaitis, indicated that the town had a contract with Lealman for fire services, after closing its own volunteer fire department almost 15 years earlier. During this time, Lealman was the first responder and the surrounding fire districts would assist as per the mutual aid agreement. When Kenneth City annexed approximately 20 properties worth approximately \$17,000 annually in ad valorem taxes, Lealman cancelled the contract, which was worth over \$200,000 annually for the next five years. The town currently is under contract with Pinellas Park for fire services, and has reopened its fire station in the center of town. If Kenneth City is to grow, i.e., annex, it must do so into the district, which surrounds the town.

assessments, or fees that would have been collected by the district, using the millage rate as of the effective date of the bill, or any lower rate that may be levied by the district. The payments continue in perpetuity unless the district is relieved of all fire, rescue or emergency medical service responsibility in the annexed territory. If litigation is required to enforce these provisions, the prevailing party is entitled to an award of attorney fees and costs.

The language, in effect, creates an exception to s. 171.093, F.S., in that, a municipality may not elect to provide fire and rescue services to any district property it annexes before July 1, 2016, and must make payments for these services to the district in perpetuity, unless the district agrees otherwise. The new amended charter was expected to discourage annexation within the boundaries of the Lealman Fire Control District, and thus prevent further erosion of the district's ad valorem tax base. The four-year sunset date (July 1, 2016) for the bill's requirements was intended to coincide with the expiration of the settlement agreement between the district and the City of Pinellas Park, ²⁰ and has no other significance.

Effect of Proposed Changes

HB 1297 removes the sunset provision of July 1, 2016, as provided in ch. 2000-426, L.O.F., the special act dealing with the Lealman Special Fire Control District in Pinellas County. The effect of the change is that, unless the Legislature amends the district's special act, when a municipality annexes unincorporated territory within district boundaries the district will continue as the sole provider of fire and rescue services for the annexed area. A municipality may levy any applicable taxes, assessments, or fees on the annexed territory, but is required to pay the district an amount equal to the amount of taxes, assessments, or fees that would have been collected by the district. These payments continue in perpetuity unless the district is relieved of all fire, rescue or emergency medical service responsibilities in the annexed territory.

B. SECTION DIRECTORY:

Section 1: Amends section 11 of section 1 of chapter 2000-426, L.O.F., as amended by chapter 2012-251, L.O.F., removing the sunset provision of July 1, 2016.

Section 2: Provides an effective date of upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN? January 29, 2014

WHERE? *Tampa Bay Times*, a daily newspaper of general circulation, published in St. Petersburg, Pinellas County, Florida.

B. REFERENDUM(S) REQUIRED? Yes [] No [X]

IF YES, WHEN?

- C. LOCAL BILL CERTIFICATION FILED? Yes, attached [X] No []
- D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [X] No []

²⁰ January 11, 2012, e-mail from Chris Lyon. **STORAGE NAME**: h1297b.SAC.DOCX **DATE**: 3/20/2014

III. COMMENTS

A. CONSTITUTIONAL ISSUES: None.

B. RULE-MAKING AUTHORITY: Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

Not applicable.

STORAGE NAME: h1297b.SAC.DOCX DATE: 3/20/2014

HB 1297 2014

1|

A bill to be entitled

An act relating to the Lealman Special Fire Control District, Pinellas County; amending chapter 2000-426, Laws of Florida, as amended; providing for future annexation of certain unincorporated territory; providing an effective date.

7 8

6

2

3

4 5

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

9

11

Section 1. Section 11 of section 1 of chapter 2000-426, Laws of Florida, as amended by chapter 2012-251, Laws of Florida, is amended to read:

12 13

Section 11. Annexation of territories by municipalities .-

1415

16

17

(1) For the purposes and requirements of this Act, after the annexation by a municipality of any unincorporated area within the Lealman Special Fire Control District, the annexed area shall be treated as lying within the corporate boundaries of the annexing municipality and shall not be subject to a levy

18 19

of the ad valorem tax that is authorized by this Act.

2021

22

23

a municipality annexes any unincorporated territory situated within the defined boundaries of the District from the effective date of this Act until July 1, 2016, the District shall continue

Notwithstanding section 171.093, Florida Statutes, if

24

as the primary provider of fire, rescue, and emergency medical services for the annexed territory. Any municipality that

2526

annexes such territory may levy any applicable taxes,

Page 1 of 2

HB 1297 2014

27

28 29

30

31

33

34

35

36

37

38 39

40

41

42

43

4445

assessments, or fees on the annexed territory but must, by May 1 of each subsequent year after such annexation, pay the District for its services in an amount equal to the amount of taxes, assessments, or fees which would have been collected by the District from the annexed territory during that year had the territory not been annexed, using the millage rate in effect on the effective date of this act, or any lower rate that may be levied by the District. Such payments shall continue in perpetuity unless the District is relieved of all fire, rescue, or emergency medical service responsibility in the annexed territory, with the exception of an isolated response to a local or areawide disaster, such as a hazardous material incident, tornado, hurricane, or major fire. If litigation is required to enforce the provisions of this Act, the prevailing party shall be entitled to an award of attorney fees and costs. This subsection shall not apply to annexations of unincorporated territory situated within the defined boundaries of the District after July 1, 2016.

Section 2. This act shall take effect upon becoming a law.

Page 2 of 2