



State Affairs Committee

**Monday, April 21, 2014
10:45 AM
Morris Hall (17 HOB)**

**Will Weatherford
Speaker**

**Jim Boyd
Chair**

Committee Meeting Notice
HOUSE OF REPRESENTATIVES

State Affairs Committee

Start Date and Time: Monday, April 21, 2014 10:45 am
End Date and Time: Monday, April 21, 2014 01:45 pm
Location: Morris Hall (17 HOB)
Duration: 3.00 hrs

Consideration of the following bill(s):

CS/CS/CS/SB 846 Governmental Ethics
CS/HB 1153 Citizen Support and Direct-Support Organizations by Government Operations Subcommittee,
Hager

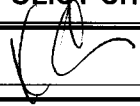
Consideration of the following proposed committee bill(s):

PCB SAC 14-06 -- Public Retirement Plans

NOTICE FINALIZED on 04/20/2014 16:18 by Love.John

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/CS/SB 846 Governmental Ethics
SPONSOR(S): Appropriations and Community Affairs and Ethics and Elections, Latvala
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) State Affairs Committee		Davison JD	Camechis 

SUMMARY ANALYSIS

The bill requires certain persons affiliated with the following quasi-governmental entities to comply with the state Code of Ethics, anti-nepotism provisions, and voting conflict provisions: the Florida Clerks of Court Corporation; Enterprise Florida, Inc.; the Divisions of Enterprise Florida, Inc.; the Florida Development Finance Corporation; and Citizens Property Insurance Corporation.

The bill prohibits certain local officers from lobbying or registering to lobby the Legislature or an agency on behalf of a person or entity other than his or her political subdivision. However, the prohibition does not apply to current local officers for the duration of their term of office.

The bill requires elected municipal officers to complete four hours of annual ethics, public records, and open meetings training; requires all individuals required to complete the training to certify completion of the training on annual financial disclosures, and specifies that failure to certify completion of training does not constitute an immaterial, inconsequential, or de minimis error or omission on an annual financial disclosure.

The bill amends financial disclosure laws to authorize the Commission on Ethics (Commission) to initiate proceedings, without having first received a complaint, against a person who has failed or refused to file an annual financial disclosure form and has accrued the maximum automatic fine. If the Commission initiates a proceeding, it would determine whether the failure to file was willful and, if so, recommend to the removal from office. The bill also requires the withholding of the entire amount of any fine owed from the person's next salary-related payment except in certain circumstances.

The bill requires citizen support and direct support organizations to adopt a code of ethics and specifies that certain provisions must be included.

The bill requires persons who lobby the following entities to annually register with the entity as a lobbyist: a water management district, a hospital district, a children's services district, an expressway authority, a port authority, or an independent special district with annual revenues of more than \$5 million that exercises ad valorem taxing authority. The bill also authorizes the Commission to investigate complaints alleging a violation of the registration requirements.

The bill allows a member of a local governmental board to abstain from voting if there is a conflict of interest under local standards of conduct that are in addition to or more stringent than the standards in the Code of Ethics and clarifies conflict of interest disclosure requirements for those members.

The bill has an indeterminate fiscal impact as explained in the Fiscal Analysis & Economic Impact Statement of this analysis.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Quasi-Governmental Entities

Florida Clerks of Court Operations Corporation

Current Situation

The Florida Clerks of Court Operations Corporation (“corporation”) is created as a “public corporation.”¹ Its membership consists of each of the Florida clerks of circuit court who hold their position and authority in an ex officio capacity. The functions of the corporation are performed by an executive council pursuant to a plan of operation approved by the members.² The executive council is composed of eight clerks of court, elected by the members.³ The executive council also includes, as ex officio members, a designee of the President of the Senate, a designee of the Speaker of the House of Representatives, and a designee of the Chief Justice of the Supreme Court. The executive council members who are clerks of court are subject to the Code of Ethics for Public Officers and Employees in Part III, Chapter 112, Florida Statutes, (“Code of Ethics”) in their official capacities as clerks of court.⁴

The Legislature has not expressly indicated that the Code of Ethics applies to the corporation.

Effect of Proposed Changes

The bill subjects the members of the executive council of the corporation to the standards of conduct in section 112.313, F.S.,⁵ the anti-nepotism provision in section 112.3135, F.S., and the voting conflict provisions in section 112.3143(2), F.S. The bill provides that for purposes of these sections, the executive council members are public officers or employees, and the corporation is considered their agency.

The bill also provides that the members of the executive council may not represent another person or entity for compensation before the corporation for a period of two years following his or her service on the executive council.

Enterprise Florida, Inc.

Current Situation

Enterprise Florida, Inc., (“Enterprise Florida”) is created as a nonprofit corporation but is “not a unit or entity of state government.”⁶ The 18-member board of directors is composed of various state officers and private individuals.⁷

The members of Enterprise Florida’s board of directors are subject to the standards of conduct in section 112.313, F.S., the anti-nepotism provision in section 112.3135, F.S., and the voting conflict

¹ s. 28.35(1)(a), F.S. (2013). The corporation is also considered a political subdivision of the state and is exempt from the corporate income tax. s. 28.35(1)(c), F.S. (2013).

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ The standards listed in section 112.313, F.S., include prohibitions of: “quid pro quo” gifts, doing business with one’s agency, unauthorized compensation, salary and expenses, misuse of public position, conflicting employment or contractual relationships, post-employment lobbying, disclosure or use of certain information, and employees holding office.

⁶ s. 288.901(1)(a), F.S. (2013).

⁷ s. 288.901(5)(a), F.S. (2013).

provisions in section 112.3143(2), F.S.⁸ Board members are specifically exempt from the prohibitions on “quid pro quo” gifts in section 112.313(2), F.S.⁹ For purposes of these sections, the board members are considered public officers and employees. Finally, board members who are not otherwise required to file a financial disclosure are required to file an Annual Statement of Financial Interests pursuant to section 112.3145, F.S.¹⁰

Effect of Proposed Changes

The bill subjects the president, senior managers, and members of the Enterprise Florida board of directors to the “quid pro quo” gifts ban in section 112.313(2), F.S., which prohibits a public officer, employee of an agency, local government attorney, or a candidate for nomination or election from soliciting or accepting anything of value based upon any understanding that the vote, official action, or judgment of the public officer, employee of an agency, local government attorney, or a candidate for nomination or election would be influenced thereby.

The bill applies the standards of conduct in section 112.313, F.S.,¹¹ the anti-nepotism provision in section 112.3135, F.S., and the voting conflict provisions in section 112.3143(2), F.S., to the president and senior managers of Enterprise Florida.

The bill clarifies that for purposes of these sections the president, senior managers, and board members are considered public officers or employees, and the corporation is considered their agency.

The bill also prohibits the president, senior managers, and members of the Enterprise Florida board of directors from representing another person or entity for compensation before the corporation for a period of two years following his or her employment with or service on the board of directors.

Divisions of Enterprise Florida, Inc.

Current Situation

Enterprise Florida is authorized to create and dissolve divisions as necessary to carry out its mission. Each division must have distinct responsibilities and complementary missions.¹² At a minimum, Enterprise Florida must have divisions related to international trade and business development, business retention and recruitment, tourism marketing, minority business development, and sports industry development.¹³ The officers and agents of the divisions of Enterprise Florida are hired by the president of Enterprise Florida as deemed appropriate by the board of directors.¹⁴

The Legislature has not expressly indicated whether any provisions of the Code of Ethics apply to the divisions of Enterprise Florida.

Effect of Proposed Changes

The bill applies the standards of conduct in section 112.313, F.S.,¹⁵ the anti-nepotism provision in section 112.3135, F.S., and the voting conflict provisions in section 112.3143(2), F.S., to the officers and members of the board of directors of: the divisions of Enterprise Florida; subsidiaries of Enterprise Florida; corporations created to carry out the missions of Enterprise Florida, Inc.; and corporations with which a division is required by law to contract with to carry out its missions.

⁸ s. 288.901(1)(c), F.S. (2013).

⁹ *Id.*

¹⁰ *Id.*

¹¹ See footnote 5.

¹² s. 288.92(1), F.S. (2013).

¹³ s. 288.92(1)(a)-(e), F.S. (2013).

¹⁴ s. 288.92(2)(a), F.S. (2013).

¹⁵ See footnote 5.

The bill also prohibits the above-listed members and officers from representing another person or entity for compensation before Enterprise Florida for a period of two years after retirement from or termination of service to the division.

For purposes of these provisions, the above-listed members and officers are considered public officers or employees and Enterprise Florida, Inc., is considered their agency.

Florida Development Finance Corporation

Current Situation

The Florida Development Finance Corporation is created as a “public body corporate and politic” and is “constituted as a public instrumentality.”¹⁶ The five-member board of directors is appointed by the Governor, subject to Senate confirmation.¹⁷ At least three of the five directors must be bankers nominated by Enterprise Florida, Inc. and one director must be an economic development specialist.¹⁸

The Legislature has not expressly applied the Code of Ethics to the Florida Development Finance Corporation.

Effect of Proposed Changes

The bill provides that members of the Florida Development Finance Corporation board of directors are subject to the standards of conduct in section 112.313, F.S.,¹⁹ the anti-nepotism provision in section 112.3135, F.S., and the voting conflict provisions in section 112.3143(2), F.S. The bill also specifies that, for purposes of those sections, the members of the board are public officers or employees and the corporation is their agency.

The bill also prohibits a director of the board of directors from representing another person or entity for compensation before the corporation for a period of two years following his or her service on the board of directors.

Citizens Property Insurance Corporation

Current Situation

Citizens Property Insurance Corporation (“corporation”) was created to ensure an orderly market for property insurance for Floridians.²⁰ An executive director and senior managers of the corporation are employed by the board of governors and serve at the pleasure of the board. The executive director’s appointment is subject to confirmation by the Senate. The executive director is responsible for employing other staff as the corporation may require, subject to review and concurrence by the board.²¹

Senior managers and members of the board of governors are subject to the Code of Ethics and are required to file an annual financial disclosure pursuant to section 112.3145, F.S.

Senior managers are prohibited from representing another person or entity before the corporation for 2 years after retirement from or termination of service to the corporation. Senior managers are also prohibited from having any employment or contractual relationship with an insurer that has entered into a take-out bonus agreement with the corporation for two years after retirement from or termination of service to the corporation.²²

¹⁶ s. 288.9604, F.S. (2013).

¹⁷ s. 288.9604(2), F.S. (2013).

¹⁸ *Id.*

¹⁹ See footnote 5.

²⁰ s. 627.351(6), F.S. (2013).

²¹ s. 627.351(6)(c)4.a., F.S. (2013).

²² s. 627.351(6)(d)5.-6., F.S. (2013).

The Legislature has not expressly applied any portion of the Code of Ethics to the executive director.

Effect of Proposed Changes

The bill applies to the executive director of Citizens Property Insurance Corporation the entire Code of Ethics, including financial disclosure requirements and gift bans, which is consistent with current law for members of the board of governors and senior managers.

The bill explicitly prohibits the executive director, senior managers, and members of the board of governors from representing another person or entity before the corporation for two years after retirement from or termination of service to the corporation. The bill also prohibits the executive director and member of the board of governors from having any employment or contractual relationship with an insurer that has entered into a take-out bonus agreement with the corporation for two years after retirement from or termination of service to the corporation.

The bill states that, for purposes of application of the Code of Ethics, the executive director, senior managers, and members of the board of governors are public officers or employees and the corporation is their agency.

Local Officers Lobbying the Legislature or a State Agency

Current Situation

Sections 11.045 and 112.3215, F.S., establish registration and reporting requirements for individuals who lobby the Legislature or a state agency.²³ However, the statutes do not specifically address local officers who lobby the Legislature or a state agency.

Effect of Proposed Changes

The bill prohibits a local officer from registering as a lobbyist for the purpose of lobbying the Legislature or an agency on behalf of a person or entity other than his or her political subdivision. A local officer is not prohibited from being employed by, or contracting with, a lobbying firm if he or she does not personally represent clients before the Legislature or an agency. A local officer is also not prohibited from representing clients other than his or her political subdivision before the Legislature or an agency if the representation is provided without compensation.

The bill defines a "local officer" as a "state attorney, public defender, sheriff, tax collector, property appraiser, supervisor of elections, clerk of the circuit court, county commissioner, district school board member, superintendent of schools, or an elected municipal officer. . ." However, an elected municipal officer of a municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census is not subject to the lobbying prohibition.

The prohibition does not apply to a local officer for the duration of his or her current term of office as of July 1, 2014, but the changes do apply to a local officer beginning a new term of office or appointed to fill an unexpired term after July 1, 2014.

²³An "agency" is defined as "the Governor, Governor and Cabinet, or any department, division, bureau, board, commission, or authority of the executive branch. In addition, 'agency' shall mean the Constitution Revision Commission . . ." s. 112.3215, F.S.

Annual Ethics Training

Current Situation

Article II, section 8 of the Florida Constitution imposes various ethics requirements on elected constitutional officers, public officers, public employees, and candidates for constitutional or public office. For purpose of determining who must file annual financial disclosures, the Commission on Ethics (Commission) has identified elected constitutional officers as: the Governor; the Lieutenant Governor; the members of the cabinet; the members of the Legislature; the Justices of the Supreme Court; the judges of the district courts of appeal, circuit courts, and county courts; state attorneys; public defenders; clerks of the circuit courts; sheriffs; county tax collectors, property appraisers and supervisors of elections; county commissioners; all elective officers in a chartered county government if their duties consist of performing the duties of any of the above constitutional officers; elected wardens of schools; and members of district school boards.²⁴

In 2013, the Legislature passed a law requiring certain constitutional officers to complete four hours of ethics training each year.²⁵ While the Florida Statutes do not provide a definition of "constitutional officer," the law specifies that constitutional officers subject to the training requirement include the Governor, the Lieutenant Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, state attorneys, public defenders, sheriffs, tax collectors, property appraisers, supervisors of elections, clerks of the circuit court, county commissioners, district school board members, and superintendents of schools.²⁶ The ethics training must address, at a minimum, article II, section 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees,²⁷ and the state's public records and meetings laws.²⁸ However, the law does not explicitly apply the annual training requirement to elected municipal officers.

This requirement may be met by completing a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.²⁹ The Commission has promulgated rules to implement this training requirement.³⁰ To satisfy the requirement, an individual must receive training on Florida's public records and meetings laws and at least one topic concerning ethics requirements for public officers and employees.³¹ The rules specify the following ethics topics may be used to meet the requirement:

- Doing business with one's own agency;
- Conflicting employment or contractual relationships;
- Misuse of position;
- Disclosure or use of certain information;
- Gifts and honoraria, including solicitation and acceptance of gifts, and unauthorized compensation;
- Post-officeholding restrictions;
- Restrictions on the employment of relatives;
- Voting conflicts when the constitutional officer is a member of a collegial body and votes in his or her official capacity;
- Financial disclosure requirements, including the automatic fine and appeal process;
- Commission procedures on ethics complaints and referrals; and
- The importance of and process for obtaining advisory opinions rendered by the Commission.³²

²⁴ ch. 34-8.003, F.A.C.

²⁵ ch. 2013-38, L.O.F.; s. 112.3142(1), F.S. (2013).

²⁶ s. 112.3142(1), F.S. (2013).

²⁷ The Code of Ethics for Public Officers and Employees contains various provisions regarding both prohibited actions or conduct by public officers and employees as well as disclosures that these individuals must make.

²⁸ s. 112.3142(2)(a), F.S. (2013).

²⁹ s. 112.3142(2)(a), F.S. (2013).

³⁰ ch. 34-7.025, F.A.C.

³¹ *Id.*

³² *Id.*

In 2013, the Commission presented live educational training programs to forty groups and organizations, such as newly-elected school superintendents and clerks of court, supervisors of elections, and the Florida Sheriffs Association.³³

Individuals and groups or organizations may also pursue online training resources. The Commission provides six free training modules, prepared by Commission staff, on its website.³⁴ Topics include voting conflicts for both state and local officers, gifts for local government officials, ethics laws, financial disclosure laws, and gift laws. The six free modules, three video and three audio, provide four hours and twenty-five minutes of ethics training. The Commission also provides links to fee-based³⁵ training opportunities and states, "Other training opportunities involving the staff of the Commission on Ethics will be added to this page as they arise. Check back often."³⁶ Additionally, the Commission has opined that any knowledgeable person or entity may provide the training, but that the training could not be "satisfied by a self-directed learning program consisting of the official's review of materials he or she selects independently."³⁷

The law requires each house of the Legislature to provide for ethics training pursuant to its rules.³⁸

Constitutional officers are not required to certify or report whether they have met the ethics training requirement.

Training Affirmation on Financial Disclosure Forms

The Florida Constitution requires local officers, state officers, specified state employees, and all constitutional officers to file an annual financial disclosure with the Commission by July 1.³⁹ An amended financial disclosure filed before September 1 must be treated as the original filing, regardless of whether a complaint regarding the financial disclosure has been filed.⁴⁰ If a complaint is filed after August 25 alleging an immaterial, inconsequential, or de minimis error or omission, the Commission must give the filer 30 days to "cure" the financial disclosure before taking any action on the complaint, other than notifying the filer of the complaint.⁴¹ An error or omission is immaterial, inconsequential, or de minimis if the original filing provided sufficient information for the public to identify potential conflicts of interest.⁴²

Effect of Proposed Changes

Beginning January 1, 2015, the bill requires elected municipal officers to complete four hours of ethics training each calendar year that meets the same requirements as ethics training for constitutional officers. According to the League of Cities, there are approximately 2,200 elected municipal officers in the state.⁴³

The bill also requires each officer who is subject to the ethics training requirement, including constitutional officers and elected municipal officers, to certify on the officer's financial disclosure that he or she has completed the required training. Failure to affirm completion of annual ethics training does not constitute an immaterial, inconsequential, or de minimis error or omission. Therefore, after

³³ Annual Report to the Florida Legislature For Calendar Year 2013, at pp. 14-15, available at <http://www.ethics.state.fl.us/publications/2013%20Annual%20Report.pdf>.

³⁴ Florida Commission on Ethics, <http://www.ethics.state.fl.us/> (follow "Training" hyperlink).

³⁵ The "Ethics Package" provided by the Florida Institute of Government costs \$85.00 and satisfies the four hour requirement. http://iog.fsu.edu/events/online_training/index.html. A link is also provided to the Florida Bar's website which provides electronic course media and materials for purchase.

³⁶ Florida Commission on Ethics, <http://www.ethics.state.fl.us/> (follow "Training" hyperlink).

³⁷ CEO 13-15 at p. 2.

³⁸ s. 112.3142(3), F.S.

³⁹ s. 112.3144, F.S. (2013); s. 112.3145, F.S. (2013).

⁴⁰ s. 112.3144(7)(a), F.S. (2013); s. 112.3145(9)(a), F.S. (2013).

⁴¹ *Id.*

⁴² s. 112.3144(7)(c), F.S. (2013); s. 112.3145(9)(c), F.S. (2013).

⁴³ Information provided during telephone conversation on March 13, 2014, with Kraig Conn, Deputy General Counsel, Florida League of Cities.

August 31, an officer would not be permitted to “cure” the failure to affirm completion of the training on a financial disclosure if a complaint is filed regarding the failure.

Lastly, the bill provides that it is the Legislature’s intent that a constitutional officer or elected municipal officer required to complete the ethics training receive the training as close as possible to the date he or she assumes office. If the constitutional officer or elected municipal officer assumes a new office or new term of office on or before March 31, the officer must complete the annual training on or before December 31 of the year in which the term began. If the officer assumes a new office after March 31, the officer is not required to complete the ethics training for the calendar year in which he or she assumes office.

The bill also clarifies that the four hours of ethics training required each year is per *calendar* year.

Financial Disclosure

Current Situation

Sections 112.3144 and 112.3145, F.S., require elected constitutional officers and candidates for such offices,⁴⁴ local officers, specified state employees, and state officers to file a financial disclosure annually with the Commission on Ethics (“Commission”). Failure to file a financial disclosure results in an automatic fine of \$25 per day, up to a maximum of \$1,500.⁴⁵

A constitutional officer filing a financial disclosure as a candidate at the time of qualifying who may otherwise be required to file a financial disclosure for the same year is not required to file a financial disclosure with the Commission. The qualifying officer must forward an electronic copy of all candidate financial disclosures to the Commission.⁴⁶ If a candidate qualifies after filing his annual disclosure with the Commission, the candidate may file a copy of the disclosure with his or her filing officer.⁴⁷

Local officers, specified state employees, and state officers seeking nomination or election to a state or local office must also file a financial disclosure at the time of qualifying. The financial disclosure filed at the time of qualifying is deemed to satisfy the annual disclosure requirement, and the filing officer must record that the financial disclosure was timely filed. If a candidate qualifies after filing his annual disclosure with the Commission, the candidate may file a copy of the disclosure with his or her filing officer.⁴⁸ However, the filing officer is not required to notify the Commission that the candidate has filed the disclosure.

The Commission is required to treat an amended financial disclosure as the original filing if the amendment is filed by September 1, even if a complaint has been filed. If a complaint pertains to a disclosure filed in the current year or the previous five years, the Commission is required to follow the normal statutory complaint procedures if a complaint is filed alleging failure to properly and accurately disclose any information. However, if a complaint is filed after August 25 of any year alleging an immaterial, inconsequential, or de minimis error or omission,⁴⁹ the Commission may only notify a filer. The filer has 30 days to file an amended disclosure correcting errors, but the Commission must follow normal complaint procedures if the filer fails to submit an amended disclosure.

⁴⁴ The Commission on Ethics has identified elected constitutional officers as: the Governor; the Lieutenant Governor; the members of the cabinet; the members of the Legislature; the Justices of the Supreme Court; the judges of the district courts of appeal, circuit courts, and county courts; state attorneys; public defenders; clerks of the circuit courts; sheriffs; county tax collectors, property appraisers and supervisors of elections; county commissioners; all elective officers in a chartered county government if their duties consist of performing the duties of any of the above constitutional officers; elected wardens of schools; and members of district school boards. ch. 34-8.003, F.A.C.

⁴⁵ s. 112.3144(4)(e), F.S. (2013); s. 112.3145(6)(f), F.S. (2013).

⁴⁶ The Commission has expressed that under current law, the Commission will receive forms for candidates who do not presently serve in a position requiring a financial disclosure. The Commission has expressed that this may create some compliance and storage problems. Information provided in an e-mail on March 28, 2014, from Virindia Doss, Executive Director, Florida Commission on Ethics.

⁴⁷ s. 112.3144(2), F.S. (2013).

⁴⁸ s. 112.3145, F.S. (2013).

⁴⁹ An error or omission is defined as immaterial, inconsequential, or de minimis if the original filing provided sufficient information for the public to identify potential conflicts of interest. s. 112.3144(7)(c), F.S. (2013); s. 112.3145(9)(c), F.S. (2013).

The Commission may not initiate an investigation into alleged violations of the financial disclosure laws, or any other ethics laws, without having first received a written complaint from any person,⁵⁰ or a referral from the Governor, the Department of Law Enforcement, a state attorney, or a U.S. Attorney.⁵¹

Effect of Proposed Changes

The bill requires a qualifying officer to forward an electronic copy of a financial disclosure to the Commission for an incumbent who is qualifying for the same office or a candidate who holds another office subject to the filing requirement.

The bill authorizes the Commission to self-initiate an investigation and conduct a public hearing without a complaint to determine whether a person who fails or refuses to file a financial disclosure and has accrued the maximum \$1,500 fine, even if the fine has been paid, has done so willfully. The Commission must enter an order recommending the officer or employee be removed from office or employment if it determines the failure to file was willful. The bill also specifies that the investigation and hearing are conducted in accordance with regular complaint procedures. The bill requires the Commission, upon a finding of a violation by a legislator, to forward the complaint and its findings to the House or Senate for action.

The bill also clarifies provisions concerning complaints that allege an immaterial, inconsequential, or de minimis error or omission.

Collection of Unpaid Fines

Current Situation

Section 112.31455, F.S., provides that before referring any unpaid fines accrued as a result of failure to timely file financial disclosures⁵² to the Department of Financial Services, the Commission must attempt to determine whether the individual owing the fine is a current public officer or current public employee. If so, the Commission may notify the Chief Financial Officer (CFO) or the governing body of the county, municipality, or special district of the total amount of any fine owed to the Commission by such individual. After receipt and verification of the notice from the Commission, the CFO or the governing body must begin withholding the lesser of 10% or the maximum amount allowed under federal law from any salary related payment. The withheld payments must be remitted to the Commission until the fine is satisfied. The CFO or governing body may retain an amount of each withheld payment to satisfy administrative costs.

If the Commission determines that the individual who is the subject of an unpaid fine is no longer a public officer or employee, or if the Commission is unable to determine whether the individual is a current public officer or public employee, the Commission may, 6 months after the order becomes final, seek garnishment of any wages to satisfy the amount of the fine.

Federal law provides that the maximum amount that can be withheld or garnished may not exceed 25% of income after any deductions required by law.⁵³

The Commission may refer unpaid fines to the appropriate collection agency, as directed by the CFO, to utilize any collection methods provided by law. Action may be taken to collect an unpaid fine within 20 years after the final order is rendered.

⁵⁰ S. 112.324(1)(a), F.S. (2013).

⁵¹ S. 112.324(1)(b), F.S. (2013).

⁵² S. 112.3144(5) or 112.3145(6), F.S.,

⁵³ 15 U.S.C.A. § 1673 (2012).

Effect of Proposed Changes

The bill clarifies that there are two separate processes available, by separating into two separate statutory sections, the withholding process and the current garnishment process. The bill amends the withholding process to require the CFO or governing body to withhold the *entire* amount of any fine owed, and any administrative costs incurred, from the individual's next salary-related payment. If the fine exceeds the amount of the next salary-related payment, all salary-related payments must be withheld until the fine and administrative costs are paid in full.

If a current public officer or public employee demonstrates to the CFO or the governing body responsible for paying him or her that the public salary is his or her primary source of income and that withholding the full amount of the fine owed from a salary-related payment would present an undue hardship, the amount withheld from a public salary may be reduced to not less than 10 percent of the salary-related payment.

Citizen Support Organizations (CSOs) and Direct Support Organizations (DSOs)

Current Situation

CSOs and DSOs are not required to adopt their own ethics codes nor are they subject to the state Code of Ethics.

Effect of Proposed Changes

The bill creates new section 112.3251, F.S., which requires a CSO or DSO created or authorized pursuant to law to adopt its own ethics code. The ethics code must contain certain standards of conduct in section 112.313, F.S., including the misuse of office prohibition, unlawful compensation prohibition, postemployment/officeholding lobbying restrictions, and conflicting employment prohibition.⁵⁴

A CSO or DSO may adopt additional or more stringent standards of conduct and disclosure requirements, provided that those standards of conduct and disclosure requirements do not otherwise conflict with the law.

The organizations are required to conspicuously post their code of ethics on their website.

Lobbying Governmental Entities

Current Situation

Special districts are local units of special purpose government, within limited geographical areas, which are utilized to manage, own, operate, maintain, and finance basic capital infrastructure, facilities, and services. According to the Official List of Special Districts maintained by the Department of Economic Opportunity (DEO), there are 1,008 independent special districts and 644 dependent special districts. All special districts must comply with the requirements of the Uniform Special District Accountability Act of 1989, which was enacted by the Legislature to reform and consolidate laws relating to special districts. The Act provides for the definitions, creation, operation, financial report, taxation and non-ad valorem assessments, elections, and dissolution of most special districts.

There are no provisions of law requiring lobbyists to register before lobbying special independent districts, water management districts, hospital districts, children's services districts, expressway authorities, or port authorities. Also, there is no requirement that lobbyists disclose the identity of those who retained them or the compensation paid to the lobbyist for his or her services. Finally, there is no

⁵⁴ See s. 112.313, F.S. (2013); s. 112.3143(2), F.S. (2013).

provision that bans lobbyists giving anything of value to those who run or serve on boards of these districts.

Effect of Proposed Changes

The bill requires persons who lobby⁵⁵ the following entities to annually register with the entity as a lobbyist:⁵⁶ a water management district, a hospital district, a children's services district, an expressway authority as defined in section 348.0002, F.S., a port authority as defined in section 315.02, F.S., or an independent special district with annual revenues of more than \$5 million that exercises ad valorem taxing authority.

The registration must include a statement signed by the principal stating that the registrant is authorized to lobby the principal,⁵⁷ identify its main business pursuant to a classification system approved by the entity, and disclose the existence of any direct or indirect business or financial relationship between the lobbyist and any officer or employee of the entity. An entity may accept a completed legislative branch or executive branch lobbyist registration form in lieu of creating its own registration form.

Each entity may levy an annual lobbyist registration fee not to exceed \$40 for each principal represented. The money collected is to be used for administration of the lobbyist registration system. The entities must be diligent in determining whether lobbyists are duly registered and are prohibited from knowingly authorizing unregistered individuals to lobby the entity.

The bill requires lobbyist registrations to be made available to the public. If the entity maintains a website, a database of currently registered lobbyists and principals must be available on the entity's website.

A lobbyist must notify the entity that their representation of a principal has ended.

The bill authorizes the Commission on Ethics to accept sworn complaints alleging that a lobbyist or principal has failed to register with a governmental entity or has knowingly submitted false information in a report or registration and requires the Commission to investigate the sworn complaint. The Commission must provide the Governor with a report of its findings and recommendations in any investigation. The Governor is authorized to enforce the Commission's findings and recommendations.

Voting Conflict Provisions

Current Situation

Section 112.326, F.S., authorizes the governing body of any political subdivision, by ordinance, or agency, by rule, to impose upon its own officers and employees additional or more stringent standards of conduct and disclosure requirements than those specified in the Code of Ethics, provided that those standards of conduct and disclosure requirements do not otherwise conflict with the provisions of the Code of Ethics.

Pursuant to section 286.012, F.S., no member of any state, county, or municipal governmental board, commission, or agency who is present at any official meeting may abstain from voting, except when there appears to be a conflict or possible conflict of interest under the provisions of sections 112.311,⁵⁸

⁵⁵ "Lobbies" is defined as "seeking, on behalf of another person, to influence a governmental entity with respect to a decision of the entity in an area of policy or procurement or an attempt to obtain the goodwill of an entity official or employee."

⁵⁶ "Lobbyist" is defined as "a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity."

⁵⁷ "Principal" is defined as "the person, firm, corporation, or other entity which has employed or retained a lobbyist."

⁵⁸ Section 112.311, F.S., provides the legislative intent and declaration of policy relating to the Code of Ethics. Specifically, section 112.311, F.S., provides that it is in the public interest that the law protect against any conflict of interest and establish standards for the conduct of elected officials and government employees in situations where conflicts may exist.

112.313,⁵⁹ or 112.3143, F.S.⁶⁰ County, municipal, and other local public officers are prohibited from voting in an official capacity upon any measure which would inure to his or her special private gain or loss.⁶¹ County, municipal, and other local public officers are prohibited from voting in an official capacity upon any measure which he or she *knows* would inure to the special private gain or loss of any principal by whom he or she is retained, the parent organization or subsidiary of a corporate principal by which he or she is retained, or a relative or business associate of the public officer.⁶²

The public officer must, prior to the vote being taken, publicly state to the assembly the nature of the officer's interest in the matter. Within 15 days after the vote occurs, the public officer must disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who must incorporate the memorandum in the minutes.⁶³

Effect of Proposed Changes

The bill includes additional or more stringent standards of conduct and disclosure requirements, imposed by the governing body of any political subdivision pursuant to section 112.326, F.S., as additional grounds for a voting abstention due to a conflict or possible conflict of interest. If the only conflict or possible conflict arises from additional or more stringent disclosure requirements adopted pursuant to section 112.326, F.S., the member must comply with those disclosure requirements.

The bill allows a member to abstain from voting on an official decision, ruling, or act in the context of a quasi-judicial proceeding, if the abstention is to assure a fair proceeding free from potential bias or prejudice.

B. SECTION DIRECTORY:

Section 1 amends s. 11.045, defining the term "local officer"; prohibiting a local officer from registering to lobby the Legislature or an agency on behalf of another person or entity other than his or her political subdivision; authorizing a local officer to be employed by or contracted with a lobbying firm under certain circumstances.

Section 2 amends s. 112.3215, F.S., defining the term "local officer"; prohibiting a local officer from registering to lobby the Legislature or an agency on behalf of another person or entity other than his or her political subdivision; authorizing a local officer to be employed by or contracted with a lobbying firm under certain circumstances.

Section 3 provides for applicability of amendments to ss. 11.045 and 112.3215,

Section 4 amends s. 28.35, F.S., specifying the applicability of certain provisions of the Code of Ethics for Public Officers and Employees to members of the executive council of the Florida Clerks of Court Operations Corporation.

Section 5 amends s. 112.3142, F.S., requiring elected municipal officers to participate in annual ethics training; providing legislative intent

Section 6 amends s. 112.3144, F.S., requiring an officer required to participate in annual ethics training to certify participation on his or her full and public disclosure of financial interests; revising the conditions under which a qualifying officer forwards a full and public disclosure of financial interests to the Commission on Ethics; authorizing the Commission on Ethics to initiate an investigation and hold a public hearing without receipt of a complaint in certain circumstances; requiring the commission to enter

⁵⁹ Section 112.313, F.S., provides the standards of conduct for public officers, employees of agencies, and local government attorneys.

⁶⁰ Section 112.3143, F.S., provides voting conflict provisions.

⁶¹ "Special private gain or loss" is defined as "an economic benefit or harm that would inure to the officer, his or her relative, business associate, or principal . . ." s. 112.3143(1)(d), F.S. (2013).

⁶² s. 112.3143(3)(a), F.S. (2013).

⁶³ *Id.*

an order recommending removal of an officer or public employee from public office or public employment in certain circumstances; prohibiting the commission from taking action on a complaint alleging certain errors or omissions on a disclosure; providing that failure to certify completion of annual ethics training on a disclosure does not constitute an immaterial, inconsequential, or de minimis error or omission.

Section 7 amends s. 112.3145, F.S., requiring an officer required to participate in annual ethics training to certify participation on his or her statement of financial interests; authorizing the Commission on Ethics to initiate an investigation and hold a public hearing without receipt of a complaint in certain circumstances; requiring the commission to enter an order to remove an officer or public employee from public office or public employment in certain circumstances; prohibiting the commission from taking action on a complaint alleging certain errors or omissions on a statement; providing that failure to certify completion of annual ethics training on a statement does not constitute an immaterial, inconsequential, or de minimis error or omission.

Section 8 amends s. 112.31455, F.S., authorizing the Chief Financial Officer or governing body to withhold the entire amount of a fine owed and related administrative costs from salary-related payments of certain individuals; authorizing the Chief Financial Officer or governing body to reduce the amount withheld if an individual can demonstrate a hardship.

Section 9 creates s. 112.31456, F.S.; authorizing the commission to seek wage garnishment of certain individuals to satisfy unpaid fines; authorizing the commission to refer unpaid fines to a collection agency; establishing a statute of limitations with respect to the collection of an unpaid fine.

Section 10 creates s. 112.3251, F.S., requiring citizen support and direct-support organizations to adopt a code of ethics; establishing minimum requirements for a code of ethics.

Section 11 creates s. 112.3261, F.S., defining terms; prohibiting a person from lobbying a governmental entity until registering; establishing registration requirements; requiring public availability of lobbyist registrations; establishing procedures for termination of a lobbyist's registration; authorizing a governmental entity to establish a registration fee; requiring a governmental entity to monitor compliance with registration requirements; requiring the commission to investigate a lobbyist or principal upon receipt of a sworn complaint containing certain allegations; requiring the commission to provide the Governor with a report on the findings and recommendations resulting from the investigation; authorizing the Governor to enforce the commission's findings and recommendations.

Section 12 amends s. 286.012, F.S., revising disclosure requirements with respect to a voting abstention at a meeting of a governmental body; authorizing a member to abstain from voting on a decision, ruling, or act in a quasi-judicial proceeding under certain circumstances.

Section 13 amends s. 288.901, F.S., specifying the applicability of certain provisions of the Code of Ethics for Public Officers and Employees to the president, senior managers, and members of the board of directors of Enterprise Florida, Inc.; prohibiting the president, senior managers, and board members from representing a person or entity before the corporation for a specified timeframe.

Section 14 amends s. 288.92, F.S., specifying the applicability of certain provisions of the Code of Ethics for Public Officers and Employees to certain officers and board members associated with the divisions of Enterprise Florida, Inc.; prohibiting such officers and members from representing a person or entity for compensation before Enterprise Florida, Inc., for a specified timeframe.

Section 15 amends s. 288.9604, F.S., specifying the applicability of certain provisions of the Code of Ethics for Public Officers and Employees to the board of directors of the Florida Development Finance Corporation.

Section 16 amends s. 627.351, F.S., specifying the applicability of certain provisions of the Code of Ethics for Public Officers and Employees to the executive director of Citizens Property Insurance Corporation; prohibiting a former executive director, senior manager, or member of the board of governors of the corporation from representing another person or entity before the corporation for a specified timeframe; prohibiting a former executive director, senior manager, or member of the board of governors from entering employment or a contractual relationship for a specified timeframe with certain insurers.

Section 17 amends s. 11.0455, F.S., conforming cross-references to changes made by the act.

Section 18 amends s. 112.32155, F.S., conforming cross-references to changes made by the act.

Section 19 provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.
2. Expenditures: As a result of the 2013 legislation enacting the training requirement for constitutional officers, the Commission adopted rules and developed training. The Commission is not expected to incur additional costs as a result of this bill.

The bill imposes additional requirements on the Commission to conduct complaint proceedings related to financial disclosure and independent special district lobbying, and subjects certain persons associated with a number of quasi-governmental entities to the Code of Ethics. However, because the number of additional proceedings that may result is indeterminate, the fiscal impact on the Commission is indeterminate.

Provisions in the bill concerning withholding of public salary-related payments may result in an indeterminate number of hardship claims. The most recent agency analysis by the Department of Financial Services states that a need for additional resources is expected for reviewing and processing those hardship claims.⁶⁴ The fiscal impact is indeterminate.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: The bill permits special districts to collect up to \$40 per principal for lobbyist registrations. Because the number of lobbyists vary depending on the district, and the permissive nature of the registration fee provision, the actual impact is indeterminate.
2. Expenditures: While this bill requires elected municipal officers to complete annual ethics training, it does not require municipalities to spend funds to provide the training. However, municipalities may elect to do so. If a municipality does not pay for or otherwise provide the annual training, there may be a negative fiscal impact on its elected officers if they do not choose to take free courses offered by the Commission but choose to pay the cost from personal funds.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: The bill permits special districts to collect up to \$40 per principal for lobbyist registrations. Because the number of lobbyists vary depending on the district, and the permissive nature of the registration fee provision, the actual impact is indeterminate.

The bill may have a positive fiscal impact on private providers of ethics training if elected municipal officers choose to enroll in private courses to satisfy the annual training requirement. According to the League of Cities, there are approximately 2,200 elected municipal officers in the state.

⁶⁴ Department of Financial Services, Analysis of CS/SB 846 dated February 27, 2014.

D. FISCAL COMMENTS: None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill requires each elected municipal officer to complete four hours of ethics training every calendar year. Pursuant to Article VII, section 18(a), Florida Constitution, a mandate includes a general bill requiring counties or municipalities to spend funds. While this bill requires elected municipal officers to complete annual ethics training, it does not require a municipality to spend funds to provide the training. Therefore, this bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other: None.

B. RULE-MAKING AUTHORITY:

Although the Commission on Ethics will need to amend its rules to reflect statutory changes made by the bill, the Commission's existing rulemaking authority appears to be sufficient.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

N/A

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1 A bill to be entitled
2 An act relating to governmental ethics; amending ss.
3 11.045 and 112.3215, F.S.; defining the term "local
4 officer"; prohibiting a local officer from registering
5 to lobby the Legislature or an agency on behalf of
6 another person or entity other than his or her
7 political subdivision; authorizing a local officer to
8 be employed by or contracted with a lobbying firm
9 under certain circumstances; providing for
10 applicability; amending s. 28.35, F.S.; specifying the
11 applicability of certain provisions of the Code of
12 Ethics for Public Officers and Employees to members of
13 the executive council of the Florida Clerks of Court
14 Operations Corporation; amending s. 112.3142, F.S.;
15 requiring elected municipal officers to participate in
16 annual ethics training; providing legislative intent;
17 amending s. 112.3144, F.S.; requiring an officer
18 required to participate in annual ethics training to
19 certify participation on his or her full and public
20 disclosure of financial interests; revising the
21 conditions under which a qualifying officer forwards a
22 full and public disclosure of financial interests to
23 the Commission on Ethics; authorizing the Commission
24 on Ethics to initiate an investigation and hold a
25 public hearing without receipt of a complaint in
26 certain circumstances; requiring the commission to
27 enter an order recommending removal of an officer or
28 public employee from public office or public
29 employment in certain circumstances; prohibiting the

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30 commission from taking action on a complaint alleging
31 certain errors or omissions on a disclosure; providing
32 that failure to certify completion of annual ethics
33 training on a disclosure does not constitute an
34 immaterial, inconsequential, or de minimis error or
35 omission; amending s. 112.3145, F.S.; requiring an
36 officer required to participate in annual ethics
37 training to certify participation on his or her
38 statement of financial interests; authorizing the
39 Commission on Ethics to initiate an investigation and
40 hold a public hearing without receipt of a complaint
41 in certain circumstances; requiring the commission to
42 enter an order to remove an officer or public employee
43 from public office or public employment in certain
44 circumstances; prohibiting the commission from taking
45 action on a complaint alleging certain errors or
46 omissions on a statement; providing that failure to
47 certify completion of annual ethics training on a
48 statement does not constitute an immaterial,
49 inconsequential, or de minimis error or omission;
50 amending s. 112.31455, F.S.; authorizing the Chief
51 Financial Officer or governing body to withhold the
52 entire amount of a fine owed and related
53 administrative costs from salary-related payments of
54 certain individuals; authorizing the Chief Financial
55 Officer or governing body to reduce the amount
56 withheld if an individual can demonstrate a hardship;
57 creating s. 112.31456, F.S.; authorizing the
58 commission to seek wage garnishment of certain

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59 individuals to satisfy unpaid fines; authorizing the
60 commission to refer unpaid fines to a collection
61 agency; establishing a statute of limitations with
62 respect to the collection of an unpaid fine; creating
63 s. 112.3251, F.S.; requiring citizen support and
64 direct-support organizations to adopt a code of
65 ethics; establishing minimum requirements for a code
66 of ethics; creating s. 112.3261, F.S.; defining terms;
67 prohibiting a person from lobbying a governmental
68 entity until registering; establishing registration
69 requirements; requiring public availability of
70 lobbyist registrations; establishing procedures for
71 termination of a lobbyist's registration; authorizing
72 a governmental entity to establish a registration fee;
73 requiring a governmental entity to monitor compliance
74 with registration requirements; requiring the
75 commission to investigate a lobbyist or principal upon
76 receipt of a sworn complaint containing certain
77 allegations; requiring the commission to provide the
78 Governor with a report on the findings and
79 recommendations resulting from the investigation;
80 authorizing the Governor to enforce the commission's
81 findings and recommendations; amending s. 286.012,
82 F.S.; revising disclosure requirements with respect to
83 a voting abstention at a meeting of a governmental
84 body; authorizing a member to abstain from voting on a
85 decision, ruling, or act in a quasi-judicial
86 proceeding under certain circumstances; amending s.
87 288.901, F.S.; specifying the applicability of certain

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88 provisions of the Code of Ethics for Public Officers
89 and Employees to the president, senior managers, and
90 members of the board of directors of Enterprise
91 Florida, Inc.; prohibiting the president, senior
92 managers, and board members from representing a person
93 or entity before the corporation for a specified
94 timeframe; amending s. 288.92, F.S.; specifying the
95 applicability of certain provisions of the Code of
96 Ethics for Public Officers and Employees to certain
97 officers and board members associated with the
98 divisions of Enterprise Florida, Inc.; prohibiting
99 such officers and members from representing a person
100 or entity for compensation before Enterprise Florida,
101 Inc., for a specified timeframe; amending s. 288.9604,
102 F.S.; specifying the applicability of certain
103 provisions of the Code of Ethics for Public Officers
104 and Employees to the board of directors of the Florida
105 Development Finance Corporation; amending s. 627.351,
106 F.S.; specifying the applicability of certain
107 provisions of the Code of Ethics for Public Officers
108 and Employees to the executive director of Citizens
109 Property Insurance Corporation; prohibiting a former
110 executive director, senior manager, or member of the
111 board of governors of the corporation from
112 representing another person or entity before the
113 corporation for a specified timeframe; prohibiting a
114 former executive director, senior manager, or member
115 of the board of governors from entering employment or
116 a contractual relationship for a specified timeframe

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117 with certain insurers; amending ss. 11.0455 and
118 112.32155, F.S.; conforming cross-references to
119 changes made by the act; providing an effective date.
120

121 Be It Enacted by the Legislature of the State of Florida:
122

123 Section 1. Subsection (1) of section 11.045, Florida
124 Statutes, is amended, present subsections (2) through (9) of
125 that section are renumbered as subsections (3) through (10),
126 respectively, a new subsection (2) is added to that section, and
127 present subsections (8) and (9) of that section are amended, to
128 read:

129 11.045 Lobbying before the Legislature; registration and
130 reporting; exemptions; penalties.—

131 (1) As used in this section, unless the context otherwise
132 requires:

133 (a) "Committee" means the committee of each house charged
134 by the presiding officer with responsibility for ethical conduct
135 of lobbyists.

136 (b) "Compensation" means a payment, distribution, loan,
137 advance, reimbursement, deposit, salary, fee, retainer, or
138 anything of value provided or owed to a lobbying firm, directly
139 or indirectly, by a principal for any lobbying activity.

140 (c) "Expenditure" means a payment, distribution, loan,
141 advance, reimbursement, deposit, or anything of value made by a
142 lobbyist or principal for the purpose of lobbying. The term does
143 not include contributions or expenditures reported pursuant to
144 chapter 106 or federal election law, campaign-related personal
145 services provided without compensation by individuals

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146 volunteering their time, any other contribution or expenditure
147 made by or to a political party or affiliated party committee,
148 or any other contribution or expenditure made by an organization
149 that is exempt from taxation under 26 U.S.C. s. 527 or s.
150 501(c)(4).

151 (d) "Legislative action" means introduction, sponsorship,
152 testimony, debate, voting, or any other official action on any
153 measure, resolution, amendment, nomination, appointment, or
154 report of, or any matter that may be the subject of action by,
155 either house of the Legislature or any committee thereof.

156 (e) "Lobbying" means influencing or attempting to influence
157 legislative action or nonaction through oral or written
158 communication or an attempt to obtain the goodwill of a member
159 or employee of the Legislature.

160 (f) "Lobbying firm" means any business entity, including an
161 individual contract lobbyist, which receives or becomes entitled
162 to receive any compensation for the purpose of lobbying, where
163 any partner, owner, officer, or employee of the business entity
164 is a lobbyist.

165 (g) "Lobbyist" means a person who is employed and receives
166 payment, or who contracts for economic consideration, for the
167 purpose of lobbying, or a person who is principally employed for
168 governmental affairs by another person or governmental entity to
169 lobby on behalf of that other person or governmental entity.

170 (h) "Local officer" means a state attorney, public
171 defender, sheriff, tax collector, property appraiser, supervisor
172 of elections, clerk of the circuit court, county commissioner,
173 district school board member, superintendent of schools, or an
174 elected municipal officer other than an elected municipal

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175 officer of a small city, as defined in s. 120.52.

176 (i)~~(h)~~ "Office" means the Office of Legislative Services.

177 (j)~~(i)~~ "Principal" means the person, firm, corporation, or
178 other entity which has employed or retained a lobbyist.

179 (2) A local officer may not register as a lobbyist for the
180 purpose of lobbying the Legislature on behalf of a person or
181 entity other than his or her political subdivision. This
182 subsection does not prohibit a local officer from being employed
183 by, or contracting with, a lobbying firm if he or she does not
184 personally represent clients before the Legislature.

185 (9)~~(8)~~ Any person required to be registered or to provide
186 information pursuant to this section or pursuant to rules
187 established in conformity with this section who knowingly fails
188 to disclose any material fact required by this section or by
189 rules established in conformity with this section, or who
190 knowingly provides false information on any report required by
191 this section or by rules established in conformity with this
192 section, commits a noncriminal infraction, punishable by a fine
193 not to exceed \$5,000. Such penalty shall be in addition to any
194 other penalty assessed by a house of the Legislature pursuant to
195 subsection (8) ~~(7)~~.

196 (10)~~(9)~~ There is hereby created the Legislative Lobbyist
197 Registration Trust Fund, to be used for the purpose of funding
198 any office established for the administration of the
199 registration of lobbyists lobbying the Legislature, including
200 the payment of salaries and other expenses, and for the purpose
201 of paying the expenses incurred by the Legislature in providing
202 services to lobbyists. The trust fund is not subject to the
203 service charge to general revenue provisions of chapter 215.

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204 Fees collected pursuant to rules established in accordance with
205 subsection (3) ~~(2)~~ shall be deposited into the Legislative
206 Lobbyist Registration Trust Fund.

207 Section 2. Subsection (1) of section 112.3215, Florida
208 Statutes, is amended, present subsections (3) through (15) of
209 that section are renumbered as subsections (4) through (16),
210 respectively, a new subsection (3) is added to that section, and
211 present subsection (11) of that section is amended, to read:

212 112.3215 Lobbying before the executive branch or the
213 Constitution Revision Commission; registration and reporting;
214 investigation by commission.—

215 (1) For the purposes of this section:

216 (a) "Agency" means the Governor, the Governor and Cabinet,
217 or any department, division, bureau, board, commission, or
218 authority of the executive branch. In addition, "agency" shall
219 mean the Constitution Revision Commission as provided by s. 2,
220 Art. XI of the State Constitution.

221 (b) "Agency official" or "employee" means any individual
222 who is required by law to file full or limited public disclosure
223 of his or her financial interests.

224 (c) "Compensation" means a payment, distribution, loan,
225 advance, reimbursement, deposit, salary, fee, retainer, or
226 anything of value provided or owed to a lobbying firm, directly
227 or indirectly, by a principal for any lobbying activity.

228 (d) "Expenditure" means a payment, distribution, loan,
229 advance, reimbursement, deposit, or anything of value made by a
230 lobbyist or principal for the purpose of lobbying. The term
231 "expenditure" does not include contributions or expenditures
232 reported pursuant to chapter 106 or contributions or

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233 expenditures reported pursuant to federal election law,
234 campaign-related personal services provided without compensation
235 by individuals volunteering their time, any other contribution
236 or expenditure made by or to a political party or an affiliated
237 party committee, or any other contribution or expenditure made
238 by an organization that is exempt from taxation under 26 U.S.C.
239 s. 527 or s. 501(c)(4).

240 (e) "Fund" means the Executive Branch Lobby Registration
241 Trust Fund.

242 (f) "Lobbies" means seeking, on behalf of another person,
243 to influence an agency with respect to a decision of the agency
244 in the area of policy or procurement or an attempt to obtain the
245 goodwill of an agency official or employee. "Lobbies" also means
246 influencing or attempting to influence, on behalf of another,
247 the Constitution Revision Commission's action or nonaction
248 through oral or written communication or an attempt to obtain
249 the goodwill of a member or employee of the Constitution
250 Revision Commission.

251 (g) "Lobbying firm" means a business entity, including an
252 individual contract lobbyist, that receives or becomes entitled
253 to receive any compensation for the purpose of lobbying, where
254 any partner, owner, officer, or employee of the business entity
255 is a lobbyist.

256 (h) "Lobbyist" means a person who is employed and receives
257 payment, or who contracts for economic consideration, for the
258 purpose of lobbying, or a person who is principally employed for
259 governmental affairs by another person or governmental entity to
260 lobby on behalf of that other person or governmental entity.

261 "Lobbyist" does not include a person who is:

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262 1. An attorney, or any person, who represents a client in a
263 judicial proceeding or in a formal administrative proceeding
264 conducted pursuant to chapter 120 or any other formal hearing
265 before an agency, board, commission, or authority of this state.

266 2. An employee of an agency or of a legislative or judicial
267 branch entity acting in the normal course of his or her duties.

268 3. A confidential informant who is providing, or wishes to
269 provide, confidential information to be used for law enforcement
270 purposes.

271 4. A person who lobbies to procure a contract pursuant to
272 chapter 287 which contract is less than the threshold for
273 CATEGORY ONE as provided in s. 287.017.

274 (i) "Local officer" means a state attorney, public
275 defender, sheriff, tax collector, property appraiser, supervisor
276 of elections, clerk of the circuit court, county commissioner,
277 district school board member, superintendent of schools, or an
278 elected municipal officer other than an elected municipal
279 officer of a small city, as defined in s. 120.52.

280 (j)~~(i)~~ "Principal" means the person, firm, corporation, or
281 other entity which has employed or retained a lobbyist.

282 (3) A local officer may not register as a lobbyist for the
283 purpose of lobbying an agency on behalf of a person or entity
284 other than his or her political subdivision. This subsection
285 does not prohibit a local officer from being employed by, or
286 contracting with, a lobbying firm if he or she does not
287 personally represent clients before an agency.

288 (12)~~(11)~~ Any person who is required to be registered or to
289 provide information under this section or under rules adopted
290 pursuant to this section and who knowingly fails to disclose any

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291 material fact that is required by this section or by rules
292 adopted pursuant to this section, or who knowingly provides
293 false information on any report required by this section or by
294 rules adopted pursuant to this section, commits a noncriminal
295 infraction, punishable by a fine not to exceed \$5,000. Such
296 penalty is in addition to any other penalty assessed by the
297 Governor and Cabinet pursuant to subsection (11) ~~(10)~~.

298 Section 3. The amendments made by this act to ss. 11.045
299 and 112.3215, Florida Statutes, do not apply to a local officer
300 for the duration of his or her current term of office as of the
301 effective date of this act. The amendments made by this act to
302 ss. 11.045 and 112.3215, Florida Statutes, shall apply to a
303 local officer beginning a new term of office or appointed to
304 fill an unexpired term after the effective date of this act.

305 Section 4. Paragraph (b) of subsection (1) of section
306 28.35, Florida Statutes, is amended to read:

307 28.35 Florida Clerks of Court Operations Corporation.—

308 (1)

309 (b)1. The executive council shall be composed of eight
310 clerks of the court elected by the clerks of the courts for a
311 term of 2 years, with two clerks from counties with a population
312 of fewer than 100,000, two clerks from counties with a
313 population of at least 100,000 but fewer than 500,000, two
314 clerks from counties with a population of at least 500,000 but
315 fewer than 1 million, and two clerks from counties with a
316 population of ~~more than~~ 1 million or more. The executive council
317 shall also include, as ex officio members, a designee of the
318 President of the Senate and a designee of the Speaker of the
319 House of Representatives. The Chief Justice of the Supreme Court

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320 shall designate one additional member to represent the state
321 courts system.

322 2. The Legislature determines that it is in the public
323 interest that a member of the executive council of the
324 corporation be subject to the requirements of ss. 112.313,
325 112.3135, and 112.3143(2). Notwithstanding that the council
326 members are not public officers or employees, for purposes of
327 the application of ss. 112.313, 112.3135, and 112.3143(2) to the
328 activities of the council members, the council members shall be
329 considered public officers or employees, and the corporation
330 shall be considered their agency.

331 3. A member of the executive council of the corporation may
332 not represent another person or entity for compensation before
333 the corporation for a period of 2 years following his or her
334 service on the executive council.

335 Section 5. Section 112.3142, Florida Statutes, is amended
336 to read:

337 112.3142 Ethics training for specified constitutional
338 officers and elected municipal officers.-

339 (1) As used in this section, the term "constitutional
340 officers" includes the Governor, the Lieutenant Governor, the
341 Attorney General, the Chief Financial Officer, the Commissioner
342 of Agriculture, state attorneys, public defenders, sheriffs, tax
343 collectors, property appraisers, supervisors of elections,
344 clerks of the circuit court, county commissioners, district
345 school board members, and superintendents of schools.

346 (2)(a) All constitutional officers must complete 4 hours of
347 ethics training each calendar year which ~~annually that~~
348 addresses, at a minimum, s. 8, Art. II of the State

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349 Constitution, the Code of Ethics for Public Officers and
350 Employees, and the public records and public meetings laws of
351 this state. This requirement may be satisfied by completion of a
352 continuing legal education class or other continuing
353 professional education class, seminar, or presentation if the
354 required subjects are covered.

355 (b) Beginning January 1, 2015, all elected municipal
356 officers must complete 4 hours of ethics training each calendar
357 year which addresses, at a minimum, s. 8, Art. II of the State
358 Constitution, the Code of Ethics for Public Officers and
359 Employees, and the public records and public meetings laws of
360 this state. This requirement may be satisfied by completion of a
361 continuing legal education class or other continuing
362 professional education class, seminar, or presentation if the
363 required subjects are covered.

364 (c)~~(b)~~ The commission shall adopt rules establishing
365 minimum course content for the portion of an ethics training
366 class which ~~that~~ addresses s. 8, Art. II of the State
367 Constitution and the Code of Ethics for Public Officers and
368 Employees.

369 (d) The Legislature intends that a constitutional officer
370 or elected municipal officer who is required to complete ethics
371 training pursuant to this section receive the required training
372 as close as possible to the date that he or she assumes office.
373 A constitutional officer or elected municipal officer assuming a
374 new office or new term of office on or before March 31 must
375 complete the annual training on or before December 31 of the
376 year in which the term of office began. A constitutional officer
377 or elected municipal officer assuming a new office or new term

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378 of office after March 31 is not required to complete ethics
379 training for the calendar year in which the term of office
380 began.

381 (3) Each house of the Legislature shall provide for ethics
382 training pursuant to its rules.

383 Section 6. Subsections (1) and (2), paragraph (g) of
384 subsection (5), and paragraphs (a) and (c) of present subsection
385 (7) of section 112.3144, Florida Statutes, are amended, present
386 subsections (6) through (9) of that section are redesignated as
387 subsections (7) through (10), respectively, and a new subsection
388 (6) is added to that section, to read:

389 112.3144 Full and public disclosure of financial
390 interests.—

391 (1) An officer who is required by s. 8, Art. II of the
392 State Constitution to file a full and public disclosure of his
393 or her financial interests for any calendar or fiscal year shall
394 file that disclosure with the Florida Commission on Ethics.
395 Additionally, beginning January 1, 2015, an officer who is
396 required to complete annual ethics training pursuant to s.
397 112.3142 must certify on his or her full and public disclosure
398 of financial interests that he or she has completed the required
399 training.

400 (2) A person who is required, pursuant to s. 8, Art. II of
401 the State Constitution, to file a full and public disclosure of
402 financial interests and who has filed a full and public
403 disclosure of financial interests for any calendar or fiscal
404 year shall not be required to file a statement of financial
405 interests pursuant to s. 112.3145(2) and (3) for the same year
406 or for any part thereof notwithstanding any requirement of this

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407 part. If an incumbent in an elective office has filed the full
408 and public disclosure of financial interests to qualify for
409 election to the same office or if ~~When a candidate has qualified~~
410 for office holds another office subject to the annual filing
411 requirement, the qualifying officer shall forward an electronic
412 copy of the full and public disclosure of financial interests to
413 the commission no later than July 1. The electronic copy of the
414 full and public disclosure of financial interests satisfies the
415 annual disclosure requirement of this section. A candidate who
416 does not qualify until after the annual full and public
417 disclosure of financial interests has been filed pursuant to
418 this section shall file a copy of his or her disclosure with the
419 officer before whom he or she qualifies.

420 (5) Forms for compliance with the full and public
421 disclosure requirements of s. 8, Art. II of the State
422 Constitution shall be created by the Commission on Ethics. The
423 commission shall give notice of disclosure deadlines and
424 delinquencies and distribute forms in the following manner:

425 (g) The notification requirements and fines of this
426 subsection do not apply to candidates or to the first filing
427 required of any person appointed to elective constitutional
428 office or other position required to file full and public
429 disclosure, unless the person's name is on the commission's
430 notification list and the person received notification from the
431 commission. The appointing official shall notify such newly
432 appointed person of the obligation to file full and public
433 disclosure by July 1. The notification requirements and fines of
434 this subsection do not apply to the final filing provided for in
435 subsection (7)~~(6)~~.

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436 (6) If a person holding public office or public employment
437 fails or refuses to file a full and public disclosure of
438 financial interests for any year in which the person received
439 notice from the commission regarding the failure to file and has
440 accrued the maximum automatic fine authorized under this
441 section, regardless of whether the fine imposed was paid or
442 collected, the commission may initiate an investigation and
443 conduct a public hearing without receipt of a complaint to
444 determine whether the person's failure to file is willful. Such
445 investigation and hearing must be conducted in accordance with
446 s. 112.324. Except as provided in s. 112.324(4), if the
447 commission determines that the person willfully failed to file a
448 full and public disclosure of financial interests, the
449 commission shall enter an order recommending that the officer or
450 employee be removed from his or her public office or public
451 employment.

452 (8)(7)(a) The commission shall treat an amended full and
453 public disclosure of financial interests which ~~that~~ is filed
454 before ~~prior to~~ September 1 of the ~~current~~ year in which the
455 disclosure is due as the original filing, regardless of whether
456 a complaint has been filed. ~~If a complaint pertaining to the~~
457 ~~current year alleges a failure to properly and accurately~~
458 ~~disclose any information required by this section or if a~~
459 ~~complaint filed pertaining to a previous reporting period within~~
460 ~~the preceding 5 years alleges a failure to properly and~~
461 ~~accurately disclose any information required to be disclosed by~~
462 ~~this section, the commission may immediately follow complaint~~
463 ~~procedures in s. 112.324. However, If a complaint filed after~~
464 August 25 alleges only an immaterial, inconsequential, or de

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465 minimis error or omission, the commission may not take any
466 action on the complaint, other than notifying the filer of the
467 complaint. The filer must be given 30 days to file an amended
468 full and public disclosure of financial interests correcting any
469 errors. If the filer does not file an amended full and public
470 disclosure of financial interests within 30 days after the
471 commission sends notice of the complaint, the commission may
472 continue with proceedings pursuant to s. 112.324.

473 (c) For purposes of this section, an error or omission is
474 immaterial, inconsequential, or de minimis if the original
475 filing provided sufficient information for the public to
476 identify potential conflicts of interest. However, failure to
477 certify completion of annual ethics training required under s.
478 112.3142 does not constitute an immaterial, inconsequential, or
479 de minimis error or omission.

480 Section 7. Present subsections (4) through (11) of section
481 112.3145, Florida Statutes, are redesignated as subsections (5)
482 through (12), respectively, a new subsection (4) is added to
483 that section, paragraph (c) is added to present subsection (7)
484 of that section, and paragraphs (a) and (c) of present
485 subsection (9) of that section are amended, to read:

486 112.3145 Disclosure of financial interests and clients
487 represented before agencies.—

488 (4) Beginning January 1, 2015, an officer who is required
489 to complete annual ethics training pursuant to s. 112.3142 must
490 certify on his or her statement of financial interests that he
491 or she has completed the required training.

492 (8) ~~(7)~~

493 (c) If a person holding public office or public employment

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494 fails or refuses to file an annual statement of financial
495 interests for any year in which the person received notice from
496 the commission regarding the failure to file and has accrued the
497 maximum automatic fine authorized under this section, regardless
498 of whether the fine imposed was paid or collected, the
499 commission may initiate an investigation and conduct a public
500 hearing without receipt of a complaint to determine whether the
501 person's failure to file is willful. Such investigation and
502 hearing must be conducted in accordance with s. 112.324. Except
503 as provided in s. 112.324(4), if the commission determines that
504 the person willfully failed to file a statement of financial
505 interests, the commission shall enter an order recommending that
506 the officer or employee be removed from his or her public office
507 or public employment.

508 (10)(9)(a) The commission shall treat an amended annual
509 statement of financial interests which ~~that~~ is filed before
510 ~~prior to~~ September 1 of the ~~current~~ year in which the statement
511 is due as the original filing, regardless of whether a complaint
512 has been filed. ~~If a complaint pertaining to the current year~~
513 ~~alleges a failure to properly and accurately disclose any~~
514 ~~information required by this section or if a complaint filed~~
515 ~~pertaining to a previous reporting period within the preceding 5~~
516 ~~years alleges a failure to properly and accurately disclose any~~
517 ~~information required to be disclosed by this section, the~~
518 ~~commission may immediately follow complaint procedures in s.~~
519 ~~112.324. However, If a complaint filed after August 25 alleges~~
520 only an immaterial, inconsequential, or de minimis error or
521 omission, the commission may not take any action on the
522 complaint, other than notifying the filer of the complaint. The

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523 filer must be given 30 days to file an amended statement of
524 financial interests correcting any errors. If the filer does not
525 file an amended statement of financial interests within 30 days
526 after the commission sends notice of the complaint, the
527 commission may continue with proceedings pursuant to s. 112.324.

528 (c) For purposes of this section, an error or omission is
529 immaterial, inconsequential, or de minimis if the original
530 filing provided sufficient information for the public to
531 identify potential conflicts of interest. However, failure to
532 certify completion of annual ethics training required under s.
533 112.3142 does not constitute an immaterial, inconsequential, or
534 de minimis error or omission.

535 Section 8. Section 112.31455, Florida Statutes, is amended
536 to read:

537 112.31455 Withholding of public salary-related payments
538 ~~Collection methods~~ for unpaid automatic fines for failure to
539 timely file disclosure of financial interests.-

540 (1) Before referring any unpaid fine accrued pursuant to s.
541 112.3144(5) or s. 112.3145(7) ~~s. 112.3145(6)~~ to the Department
542 of Financial Services, the commission shall attempt to determine
543 whether the individual owing such a fine is a current public
544 officer or current public employee. If so, the commission may
545 notify the Chief Financial Officer or the governing body of the
546 appropriate county, municipality, or special district of the
547 total amount of any fine owed to the commission by such
548 individual.

549 (a) After receipt and verification of the notice from the
550 commission, the Chief Financial Officer or the governing body of
551 the county, municipality, or special district shall withhold the

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552 entire amount of any fine owed, and any administrative costs
553 incurred, from the individual's next salary-related payment. If
554 the fine exceeds the amount of the next salary-related payment,
555 all salary-related payments must be withheld until the fine and
556 administrative costs are paid in full ~~begin withholding the~~
557 ~~lesser of 10 percent or the maximum amount allowed under federal~~
558 ~~law from any salary-related payment.~~ The withheld payments shall
559 be remitted to the commission until the fine is satisfied.

560 (b) The Chief Financial Officer or the governing body of
561 the county, municipality, or special district may retain an
562 amount of each withheld payment, as provided in s. 77.0305, to
563 cover the administrative costs incurred under this section.

564 (c) If a current public officer or current public employee
565 demonstrates to the Chief Financial Officer or the governing
566 body responsible for paying him or her that the public salary is
567 his or her primary source of income and that withholding the
568 full amount of any fine owed from a salary-related payment would
569 present an undue hardship, the amount withheld from a public
570 salary may be reduced to not less than 10 percent of the salary-
571 related payment.

572 ~~(2) If the commission determines that the individual who is~~
573 ~~the subject of an unpaid fine accrued pursuant to s. 112.3144(5)~~
574 ~~or s. 112.3145(6) is no longer a public officer or public~~
575 ~~employee or if the commission is unable to determine whether the~~
576 ~~individual is a current public officer or public employee, the~~
577 ~~commission may, 6 months after the order becomes final, seek~~
578 ~~garnishment of any wages to satisfy the amount of the fine, or~~
579 ~~any unpaid portion thereof, pursuant to chapter 77. Upon~~
580 ~~recording the order imposing the fine with the clerk of the~~

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581 ~~ircuit court, the order shall be deemed a judgment for purposes~~
582 ~~of garnishment pursuant to chapter 77.~~

583 (2)~~(3)~~ The commission may refer unpaid fines to the
584 appropriate collection agency, as directed by the Chief
585 Financial Officer, to utilize any collection methods provided by
586 law. Except as expressly limited by this section, any other
587 collection methods authorized by law are allowed.

588 (3)~~(4)~~ Action may be taken to collect any unpaid fine
589 imposed by ss. 112.3144 and 112.3145 within 20 years after the
590 date the final order is rendered.

591 Section 9. Section 112.31456, Florida Statutes, is created
592 to read:

593 112.31456 Garnishment of wages for unpaid automatic fines
594 for failure to timely file disclosure of financial interests.-

595 (1) Before referring any unpaid fine accrued pursuant to s.
596 112.3144(5) or s. 112.3145(7) to the Department of Financial
597 Services, the commission shall attempt to determine whether the
598 individual owing such fine is a current public officer or
599 current public employee. If the commission determines that an
600 individual who is the subject of an unpaid fine accrued pursuant
601 to s. 112.3144(5) or s. 112.3145(7) is no longer a public
602 officer or public employee or the commission is unable to
603 determine whether the individual is a current public officer or
604 public employee, the commission may, 6 months after the order
605 becomes final, seek garnishment of any wages to satisfy the
606 amount of the fine, or any unpaid portion thereof, pursuant to
607 chapter 77. Upon recording the order imposing the fine with the
608 clerk of the circuit court, the order shall be deemed a judgment
609 for purposes of garnishment pursuant to chapter 77.

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610 (2) The commission may refer unpaid fines to the
611 appropriate collection agency, as directed by the Chief
612 Financial Officer, to use any collection methods provided by
613 law. Except as expressly limited by this section, any other
614 collection methods authorized by law are allowed.

615 (3) Action may be taken to collect any unpaid fine imposed
616 by ss. 112.3144 and 112.3145 within 20 years after the date the
617 final order is rendered.

618 Section 10. Section 112.3251, Florida Statutes, is created
619 to read:

620 112.3251 Citizen support and direct-support organizations;
621 standards of conduct.—A citizen support or direct-support
622 organization created or authorized pursuant to law must adopt
623 its own ethics code. The ethics code must contain the standards
624 of conduct and disclosures required under ss. 112.313 and
625 112.3143(2), respectively. However, an ethics code adopted
626 pursuant to this section is not required to contain the
627 standards of conduct specified in s. 112.313(3) or (7). The
628 citizen support or direct-support organization may adopt
629 additional or more stringent standards of conduct and disclosure
630 requirements, provided that those standards of conduct and
631 disclosure requirements do not otherwise conflict with this
632 part. The ethics code must be conspicuously posted on the
633 website of the citizen support or direct-support organization.

634 Section 11. Section 112.3261, Florida Statutes, is created
635 to read:

636 112.3261 Lobbying before governmental entities;
637 registration and reporting.—

638 (1) As used in this section, the term:

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639 (a) "Governmental entity" means a water management
640 district, a hospital district, a children's services district,
641 an expressway authority as the term "authority" is defined in s.
642 348.0002, a port authority as the term is defined in s. 315.02,
643 or an independent special district with annual revenues of more
644 than \$5 million that exercises ad valorem taxing authority.

645 (b) "Lobbies" means seeking, on behalf of another person,
646 to influence a governmental entity with respect to a decision of
647 the entity in an area of policy or procurement or an attempt to
648 obtain the goodwill of an entity official or employee.

649 (c) "Lobbyist" has the same meaning as in s. 112.3215.

650 (d) "Principal" has the same meaning as in s. 112.3215.

651 (2) A person may not lobby a governmental entity until such
652 person has registered as a lobbyist with that entity. Such
653 registration shall be due upon initially being retained to lobby
654 and is renewable on a calendar-year basis thereafter. Upon
655 registration, the person shall provide a statement signed by the
656 principal or principal's representative stating that the
657 registrant is authorized to represent the principal. The
658 principal shall also identify and designate its main business on
659 the statement authorizing that lobbyist pursuant to a
660 classification system approved by the governmental entity. Any
661 changes to the information required by this section must be
662 disclosed within 15 days by filing a new registration form. The
663 registration form shall require each lobbyist to disclose, under
664 oath, the following:

665 (a) The lobbyist's name and business address.

666 (b) The name and business address of each principal
667 represented.

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668 (c) The existence of any direct or indirect business
669 association, partnership, or financial relationship with any
670 officer or employee of a governmental entity with which he or
671 she lobbies or intends to lobby.

672 (d) In lieu of creating its own lobbyist registration
673 forms, a governmental entity may accept a completed legislative
674 branch or executive branch lobbyist registration form.

675 (3) A governmental entity shall make lobbyist registrations
676 available to the public. If a governmental entity maintains a
677 website, a database of currently registered lobbyists and
678 principals must be available on the entity's website.

679 (4) A lobbyist shall promptly send a written statement to
680 the governmental entity cancelling the registration for a
681 principal upon termination of the lobbyist's representation of
682 that principal. A governmental entity may remove the name of a
683 lobbyist from the list of registered lobbyists if the principal
684 notifies the entity that a person is no longer authorized to
685 represent that principal.

686 (5) A governmental entity may establish an annual lobbyist
687 registration fee, not to exceed \$40, for each principal
688 represented. The governmental entity may use the moneys
689 collected only to administer the provisions of this section.

690 (6) A governmental entity shall be diligent to ascertain
691 whether persons required to register pursuant to this section
692 have complied. A governmental entity may not knowingly authorize
693 a person who is not registered pursuant to this section to lobby
694 the entity.

695 (7) Upon receipt of a sworn complaint alleging that a
696 lobbyist or principal has failed to register with a governmental

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697 entity or has knowingly submitted false information in a report
698 or registration required under this section, the commission
699 shall investigate a lobbyist or principal pursuant to the
700 procedures established under s. 112.324. The commission shall
701 provide the Governor with a report of its findings and
702 recommendations in any investigation conducted pursuant to this
703 subsection. The Governor is authorized to enforce the
704 commission's findings and recommendations.

705 Section 12. Section 286.012, Florida Statutes, is amended
706 to read:

707 286.012 Voting requirement at meetings of governmental
708 bodies.—A ~~No~~ member of a ~~any~~ state, county, or municipal
709 governmental board, commission, or agency who is present at a
710 ~~any~~ meeting of any such body at which an official decision,
711 ruling, or other official act is to be taken or adopted may not
712 abstain from voting in regard to any such decision, ruling, or
713 act; and a vote shall be recorded or counted for each such
714 member present, unless ~~except when~~, with respect to any such
715 member, there is, or appears to be, a possible conflict of
716 interest under ~~the provisions of~~ s. 112.311, s. 112.313, ~~or~~ s.
717 112.3143, or additional or more stringent standards of conduct,
718 if any, adopted pursuant to s. 112.326. If there is, or appears
719 to be, a possible conflict under s. 112.311, s. 112.313, or s.
720 112.3143, the member shall comply with the disclosure
721 requirements of s. 112.3143. If the only conflict or possible
722 conflict is one arising from the additional or more stringent
723 standards adopted pursuant to s. 112.326, the member shall
724 comply with any disclosure requirements adopted pursuant to s.
725 112.326. If the official decision, ruling, or act occurs in the

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726 context of a quasi-judicial proceeding, a member may abstain
 727 from voting on such matter if the abstention is to assure a fair
 728 proceeding free from potential bias or prejudice ~~In such cases,~~
 729 ~~said member shall comply with the disclosure requirements of s.~~
 730 ~~112.3143.~~

731 Section 13. Paragraph (c) of subsection (1) of section
 732 288.901, Florida Statutes, is amended, and paragraph (d) is
 733 added to that subsection, to read:

734 288.901 Enterprise Florida, Inc.-

735 (1) CREATION.-

736 (c) The Legislature determines that it is in the public
 737 interest that the president, senior managers, and ~~for the~~
 738 members of the board of directors of Enterprise Florida, Inc.,
 739 ~~board of directors~~ to be subject to the requirements of ss.
 740 112.313, 112.3135, and 112.3143(2). ~~and 112.313, excluding s.~~
 741 ~~112.313(2),~~ Notwithstanding ~~the fact~~ that the board members are
 742 not public officers or employees, ~~for~~ for purposes of the
 743 application of ss. 112.313, 112.3135, and 112.3143(2) to the
 744 activities of those sections, ~~the president, senior managers,~~
 745 and board members, those individuals shall be considered ~~to be~~
 746 public officers or employees, and the corporation shall be
 747 considered their agency. The exemption set forth in s.
 748 112.313(12) for advisory boards applies to the members of the
 749 Enterprise Florida, Inc., board of directors. Further, each
 750 member of the board of directors who is not otherwise required
 751 to file financial disclosures pursuant to s. 8, Art. II of the
 752 State Constitution or s. 112.3144, ~~shall file disclosure of~~
 753 financial interests pursuant to s. 112.3145.

754 (d) The president, senior managers, and members of the

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755 board of directors of Enterprise Florida, Inc., may not
756 represent another person or entity for compensation before the
757 corporation for a period of 2 years after ending their
758 employment with the corporation or service on the board of
759 directors.

760 Section 14. Present paragraph (b) of subsection (2) of
761 section 288.92, Florida Statutes, is redesignated as paragraph
762 (c), and a new paragraph (b) is added to that subsection, to
763 read:

764 288.92 Divisions of Enterprise Florida, Inc.—

765 (2)

766 (b)1. The Legislature determines that it is in the public
767 interest that the following officers and board members be
768 subject to ss. 112.313, 112.3135, and 112.3143(2),
769 notwithstanding the fact that such officers and board members
770 are not public officers or employees:

771 a. Officers and members of the board of directors of the
772 divisions of Enterprise Florida, Inc.;

773 b. Officers and members of the board of directors of
774 subsidiaries of Enterprise Florida, Inc.;

775 c. Officers and members of the board of directors of
776 corporations created to carry out the missions of Enterprise
777 Florida, Inc.; and

778 d. Officers and members of the board of directors of
779 corporations with which a division is required by law to
780 contract with to carry out its missions.

781 2. The officers and members of the board of directors
782 specified in subparagraph 1. may not represent another person or
783 entity for compensation before Enterprise Florida, Inc., for a

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784 period of 2 years after retirement from or termination of
785 service to the division.

786 3. For purposes of the application of ss. 112.313,
787 112.3135, and 112.3143(2) to the activities of the officers and
788 members of the board of directors specified in subparagraph 1.,
789 those individuals shall be considered public officers or
790 employees, and the corporation shall be considered their agency.

791 Section 15. Paragraph (a) of subsection (3) of section
792 288.9604, Florida Statutes, is amended to read:

793 288.9604 Creation of the authority.-

794 (3)(a)1. A director may not ~~shall~~ receive ~~no~~ compensation
795 for his or her services, but is entitled to ~~the~~ necessary
796 expenses, including travel expenses, incurred in the discharge
797 of his or her duties. Each director shall hold office until his
798 or her successor has been appointed.

799 2. The Legislature determines that it is in the public
800 interest that a director of the board of directors of the
801 Florida Development Finance Corporation be subject to ss.
802 112.313, 112.3135, and 112.3143(2). Notwithstanding that the
803 directors are not public officers or employees, for purposes of
804 the application of ss. 112.313, 112.3135, and 112.3143(2) to the
805 activities of the directors, the directors shall be considered
806 public officers or employees, and the corporation shall be
807 considered their agency.

808 3. A director of the board of directors of the corporation
809 may not represent another person or entity for compensation
810 before the corporation for a period of 2 years following his or
811 her service on the board of directors.

812 Section 16. Paragraph (d) of subsection (6) of section

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813 627.351, Florida Statutes, is amended to read:

814 627.351 Insurance risk apportionment plans.—

815 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

816 (d)1. All prospective employees for senior management
817 positions, as defined by the plan of operation, are subject to
818 background checks as a prerequisite for employment. The office
819 shall conduct the background checks pursuant to ss. 624.34,
820 624.404(3), and 628.261.

821 2. On or before July 1 of each year, employees of the
822 corporation must sign and submit a statement attesting that they
823 do not have a conflict of interest, as defined in part III of
824 chapter 112. As a condition of employment, all prospective
825 employees must sign and submit to the corporation a conflict-of-
826 interest statement.

827 3. The executive director, senior managers, and members of
828 the board of governors are subject to part III of chapter 112,
829 including, but not limited to, the code of ethics and public
830 disclosure and reporting of financial interests, pursuant to s.
831 112.3145. Notwithstanding that the executive director, senior
832 managers, and members of the board of governors are not public
833 officers or employees, for purposes of the application of part
834 III of chapter 112 to the activities of those individuals, the
835 executive director, senior managers, and members of the board of
836 governors shall be considered public officers and employees, and
837 the corporation shall be considered their agency.

838 Notwithstanding s. 112.3143(2), a board member may not vote on
839 any measure that would inure to his or her special private gain
840 or loss; that he or she knows would inure to the special private
841 gain or loss of any principal by whom he or she is retained or

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842 to the parent organization or subsidiary of a corporate
843 principal by which he or she is retained, other than an agency
844 as defined in s. 112.312; or that he or she knows would inure to
845 the special private gain or loss of a relative or business
846 associate of the public officer. Before the vote is taken, such
847 member shall publicly state to the assembly the nature of his or
848 her interest in the matter from which he or she is abstaining
849 from voting and, within 15 days after the vote occurs, disclose
850 the nature of his or her interest as a public record in a
851 memorandum filed with the person responsible for recording the
852 minutes of the meeting, who shall incorporate the memorandum in
853 the minutes. Senior managers and board members are also required
854 to file such disclosures with the Commission on Ethics and the
855 Office of Insurance Regulation. The executive director of the
856 corporation or his or her designee shall notify each existing
857 and newly appointed member of the board of governors and senior
858 managers of their duty to comply with the reporting requirements
859 of part III of chapter 112. At least quarterly, the executive
860 director or his or her designee shall submit to the Commission
861 on Ethics a list of names of the senior managers and members of
862 the board of governors who are subject to the public disclosure
863 requirements under s. 112.3145.

864 4. Notwithstanding s. 112.3148, ~~or~~ s. 112.3149, or any
865 other provision of law, an employee or board member may not
866 knowingly accept, directly or indirectly, any gift or
867 expenditure from a person or entity, or an employee or
868 representative of such person or entity, which has a contractual
869 relationship with the corporation or who is under consideration
870 for a contract. An employee or board member who fails to comply

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871 with subparagraph 3. or this subparagraph is subject to
872 penalties provided under ss. 112.317 and 112.3173.

873 5. The executive director, a member of the board of
874 governors, and a any senior manager of the corporation are ~~who~~
875 ~~is employed on or after January 1, 2007, regardless of the date~~
876 ~~of hire, who subsequently retires or terminates employment is~~
877 prohibited from representing another person or entity before the
878 corporation for 2 years after retirement from or termination of
879 service to employment ~~from~~ the corporation.

880 6. The executive director, a member of the board of
881 governors, and a Any senior manager of the corporation are ~~who~~
882 ~~is employed on or after January 1, 2007, regardless of the date~~
883 ~~of hire, who subsequently retires or terminates employment is~~
884 prohibited from having any employment or contractual
885 relationship for 2 years after retirement from or termination of
886 service to the corporation with an insurer that has entered into
887 a take-out bonus agreement with the corporation.

888 Section 17. Subsections (3), (4), and (7) of section
889 11.0455, Florida Statutes, are amended to read:

890 11.0455 Electronic filing of compensation reports and other
891 information.—

892 (3) A report filed pursuant to this section must be
893 completed and filed through the electronic filing system not
894 later than 11:59 p.m. of the day designated in s. 11.045. A
895 report not filed by 11:59 p.m. of the day designated is a late-
896 filed report and is subject to the penalties under s. 11.045(4)
897 ~~s. 11.045(3)~~.

898 (4) Each report filed pursuant to this section is deemed to
899 meet the certification requirements of s. 11.045(4)(a)4. ~~s.~~

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900 ~~11.045(3)(a)4.~~, and as such subjects the person responsible for
901 filing and the lobbying firm to the provisions of s. 11.045(8)
902 and (9) ~~s. 11.045(7) and (8)~~. Persons given a secure sign-on to
903 the electronic filing system are responsible for protecting it
904 from disclosure and are responsible for all filings using such
905 credentials, unless they have notified the office that their
906 credentials have been compromised.

907 (7) Each house of the Legislature shall provide by rule
908 that the office make all the data filed available on the
909 Internet in an easily understood and accessible format. The
910 Internet website must also include, but not be limited to, the
911 names and business addresses of lobbyists, lobbying firms, and
912 principals, the affiliations between lobbyists and principals,
913 and the classification system designated and identified by each
914 principal pursuant to s. 11.045(3) ~~s. 11.045(2)~~.

915 Section 18. Subsections (3), (4), and (7) of section
916 112.32155, Florida Statutes, are amended to read:

917 112.32155 Electronic filing of compensation reports and
918 other information.—

919 (3) A report filed pursuant to this section must be
920 completed and filed through the electronic filing system not
921 later than 11:59 p.m. of the day designated in s. 112.3215. A
922 report not filed by 11:59 p.m. of the day designated is a late-
923 filed report and is subject to the penalties under s.
924 112.3215(6) ~~s. 112.3215(5)~~.

925 (4) Each report filed pursuant to this section is
926 considered to meet the certification requirements of s.
927 112.3215(6)(a)4. ~~s. 112.3215(5)(a)4.~~ Persons given a secure
928 sign-on to the electronic filing system are responsible for

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929 protecting it from disclosure and are responsible for all
930 filings using such credentials, unless they have notified the
931 commission that their credentials have been compromised.

932 (7) The commission shall make all the data filed available
933 on the Internet in an easily understood and accessible format.
934 The Internet website shall also include, but not be limited to,
935 the names and business addresses of lobbyists, lobbying firms,
936 and principals, the affiliations between lobbyists and
937 principals, and the classification system designated and
938 identified by each principal pursuant to s. 112.3215(4) ~~s.~~
939 ~~112.3215(3)~~.

940 Section 19. This act shall take effect July 1, 2014.



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COMMITTEE/SUBCOMMITTEE ACTION

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

1 Committee/Subcommittee hearing bill: State Affairs Committee
 2 Representative Passidomo offered the following:

Amendment (with title amendment)

5 Remove everything after the enacting clause and insert:

6 Section 1. Paragraph (b) of subsection (1) of section
 7 28.35, Florida Statutes, is amended to read:

8 28.35 Florida Clerks of Court Operations Corporation.—

9 (1)

10 (b)1. The executive council shall be composed of eight
 11 clerks of the court elected by the clerks of the courts for a
 12 term of 2 years, with two clerks from counties with a population
 13 of fewer than 100,000, two clerks from counties with a
 14 population of at least 100,000 but fewer than 500,000, two
 15 clerks from counties with a population of at least 500,000 but
 16 fewer than 1 million, and two clerks from counties with a
 17 population of ~~more than~~ 1 million or more. The executive council



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18 shall also include, as ex officio members, a designee of the
19 President of the Senate and a designee of the Speaker of the
20 House of Representatives. The Chief Justice of the Supreme Court
21 shall designate one additional member to represent the state
22 courts system.

23 2. Members of the executive council of the corporation are
24 subject to ss. 112.313(1) - (8), (10), (12), and (15); 112.3135;
25 and 112.3143(2). For purposes of applying ss. 112.313(1) - (8),
26 (10), (12), and (15); 112.3135; and 112.3143(2) to activities of
27 executive council members, members shall be considered public
28 officers and the corporation shall be considered the members'
29 agency.

30 Section 2. Section 112.3142, Florida Statutes, is amended
31 to read:

32 112.3142 Ethics training for specified constitutional
33 officers and elected municipal officers.-

34 (1) As used in this section, the term "constitutional
35 officers" includes the Governor, the Lieutenant Governor, the
36 Attorney General, the Chief Financial Officer, the Commissioner
37 of Agriculture, state attorneys, public defenders, sheriffs, tax
38 collectors, property appraisers, supervisors of elections,
39 clerks of the circuit court, county commissioners, district
40 school board members, and superintendents of schools.

41 (2)(a) All constitutional officers must complete 4 hours
42 of ethics training each calendar year which ~~annually that~~
43 addresses, at a minimum, s. 8, Art. II of the State



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44 Constitution, the Code of Ethics for Public Officers and
45 Employees, and the public records and public meetings laws of
46 this state. This requirement may be satisfied by completion of a
47 continuing legal education class or other continuing
48 professional education class, seminar, or presentation if the
49 required subjects are covered.

50 (b) Beginning January 1, 2015, all elected municipal
51 officers must complete 4 hours of ethics training each calendar
52 year which addresses, at a minimum, s. 8, Art. II of the State
53 Constitution, the Code of Ethics for Public Officers and
54 Employees, and the public records and public meetings laws of
55 this state. This requirement may be satisfied by completion of a
56 continuing legal education class or other continuing
57 professional education class, seminar, or presentation if the
58 required subjects are covered.

59 (c) ~~(b)~~ The commission shall adopt rules establishing
60 minimum course content for the portion of an ethics training
61 class which ~~that~~ addresses s. 8, Art. II of the State
62 Constitution and the Code of Ethics for Public Officers and
63 Employees.

64 (d) The Legislature intends that a constitutional officer
65 or elected municipal officer who is required to complete ethics
66 training pursuant to this section receive the required training
67 as close as possible to the date that he or she assumes office.
68 A constitutional officer or elected municipal officer assuming a
69 new office or new term of office on or before March 31 must



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70 complete the annual training on or before December 31 of the
71 year in which the term of office began. A constitutional officer
72 or elected municipal officer assuming a new office or new term
73 of office after March 31 is not required to complete ethics
74 training for the calendar year in which the term of office
75 began.

76 (3) Each house of the Legislature shall provide for ethics
77 training pursuant to its rules.

78 Section 3. Subsections (1) and (2), paragraph (g) of
79 subsection (5), and paragraphs (a) and (c) of present subsection
80 (7) of section 112.3144, Florida Statutes, are amended, present
81 subsections (6) through (9) of that section are redesignated as
82 subsections (7) through (10), respectively, and a new subsection
83 (6) is added to that section, to read:

84 112.3144 Full and public disclosure of financial
85 interests.—

86 (1) An officer who is required by s. 8, Art. II of the
87 State Constitution to file a full and public disclosure of his
88 or her financial interests for any calendar or fiscal year shall
89 file that disclosure with the Florida Commission on Ethics.
90 Additionally, beginning January 1, 2015, an officer who is
91 required to complete annual ethics training pursuant to s.
92 112.3142 must certify on his or her full and public disclosure
93 of financial interests that he or she has completed the required
94 training.



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95 (2) A person who is required, pursuant to s. 8, Art. II of
96 the State Constitution, to file a full and public disclosure of
97 financial interests and who has filed a full and public
98 disclosure of financial interests for any calendar or fiscal
99 year shall not be required to file a statement of financial
100 interests pursuant to s. 112.3145(2) and (3) for the same year
101 or for any part thereof notwithstanding any requirement of this
102 part. If an incumbent in an elective office has filed the full
103 and public disclosure of financial interests to qualify for
104 election to the same office or if ~~When a candidate has qualified~~
105 for office holds another office subject to the annual filing
106 requirement, the qualifying officer shall forward an electronic
107 copy of the full and public disclosure of financial interests to
108 the commission no later than July 1. The electronic copy of the
109 full and public disclosure of financial interests satisfies the
110 annual disclosure requirement of this section. A candidate who
111 does not qualify until after the annual full and public
112 disclosure of financial interests has been filed pursuant to
113 this section shall file a copy of his or her disclosure with the
114 officer before whom he or she qualifies.

115 (5) Forms for compliance with the full and public
116 disclosure requirements of s. 8, Art. II of the State
117 Constitution shall be created by the Commission on Ethics. The
118 commission shall give notice of disclosure deadlines and
119 delinquencies and distribute forms in the following manner:



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120 (g) The notification requirements and fines of this
121 subsection do not apply to candidates or to the first filing
122 required of any person appointed to elective constitutional
123 office or other position required to file full and public
124 disclosure, unless the person's name is on the commission's
125 notification list and the person received notification from the
126 commission. The appointing official shall notify such newly
127 appointed person of the obligation to file full and public
128 disclosure by July 1. The notification requirements and fines of
129 this subsection do not apply to the final filing provided for in
130 subsection (7)(6).

131 (6) If a person holding public office or public employment
132 fails or refuses to file a full and public disclosure of
133 financial interests for any year in which the person received
134 notice from the commission regarding the failure to file and has
135 accrued the maximum automatic fine authorized under this
136 section, regardless of whether the fine imposed was paid or
137 collected, the commission shall initiate an investigation and
138 conduct a public hearing without receipt of a complaint to
139 determine whether the person's failure to file is willful. Such
140 investigation and hearing must be conducted in accordance with
141 s. 112.324. Except as provided in s. 112.324(4), if the
142 commission determines that the person willfully failed to file a
143 full and public disclosure of financial interests, the
144 commission shall enter an order recommending that the officer or



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145 employee be removed from his or her public office or public
146 employment.

147 (8)(7)(a) The commission shall treat an amended full and
148 public disclosure of financial interests which ~~that~~ is filed
149 before ~~prior to~~ September 1 of the ~~current~~ year in which the
150 disclosure is due as the original filing, regardless of whether
151 a complaint has been filed. ~~If a complaint pertaining to the~~
152 ~~current year alleges a failure to properly and accurately~~
153 ~~disclose any information required by this section or if a~~
154 ~~complaint filed pertaining to a previous reporting period within~~
155 ~~the preceding 5 years alleges a failure to properly and~~
156 ~~accurately disclose any information required to be disclosed by~~
157 ~~this section, the commission may immediately follow complaint~~
158 ~~procedures in s. 112.324. However, If a complaint filed after~~
159 ~~August 25~~ alleges only an immaterial, inconsequential, or de
160 minimis error or omission, the commission may not take any
161 action on the complaint, other than notifying the filer of the
162 complaint. The filer must be given 30 days to file an amended
163 full and public disclosure of financial interests correcting any
164 errors. If the filer does not file an amended full and public
165 disclosure of financial interests within 30 days after the
166 commission sends notice of the complaint, the commission may
167 continue with proceedings pursuant to s. 112.324.

168 (c) For purposes of this section, an error or omission is
169 immaterial, inconsequential, or de minimis if the original
170 filing provided sufficient information for the public to



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171 identify potential conflicts of interest. However, failure to
172 certify completion of annual ethics training required under s.
173 112.3142 does not constitute an immaterial, inconsequential, or
174 de minimis error or omission.

175 Section 4. Present subsections (4) through (11) of section
176 112.3145, Florida Statutes, are redesignated as subsections (5)
177 through (12), respectively, a new subsection (4) is added to
178 that section, paragraph (c) is added to present subsection (7)
179 of that section, and paragraphs (a) and (c) of present
180 subsection (9) of that section are amended, to read:

181 112.3145 Disclosure of financial interests and clients
182 represented before agencies.—

183 (4) Beginning January 1, 2015, an officer who is required
184 to complete annual ethics training pursuant to s. 112.3142 must
185 certify on his or her statement of financial interests that he
186 or she has completed the required training.

187 (8) ~~(7)~~

188 (c) If a person holding public office or public employment
189 fails or refuses to file an annual statement of financial
190 interests for any year in which the person received notice from
191 the commission regarding the failure to file and has accrued the
192 maximum automatic fine authorized under this section, regardless
193 of whether the fine imposed was paid or collected, the
194 commission shall initiate an investigation and conduct a public
195 hearing without receipt of a complaint to determine whether the
196 person's failure to file is willful. Such investigation and

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197 hearing must be conducted in accordance with s. 112.324. Except
198 as provided in s. 112.324(4), if the commission determines that
199 the person willfully failed to file a statement of financial
200 interests, the commission shall enter an order recommending that
201 the officer or employee be removed from his or her public office
202 or public employment.

203 (10)(9)(a) The commission shall treat an amended annual
204 statement of financial interests which ~~that~~ is filed before
205 ~~prior to~~ September 1 of the ~~current~~ year in which the statement
206 is due as the original filing, regardless of whether a complaint
207 has been filed. ~~If a complaint pertaining to the current year~~
208 ~~alleges a failure to properly and accurately disclose any~~
209 ~~information required by this section or if a complaint filed~~
210 ~~pertaining to a previous reporting period within the preceding 5~~
211 ~~years alleges a failure to properly and accurately disclose any~~
212 ~~information required to be disclosed by this section, the~~
213 ~~commission may immediately follow complaint procedures in s.~~
214 ~~112.324. However, If a complaint filed after August 25 alleges~~
215 ~~only~~ an immaterial, inconsequential, or de minimis error or
216 omission, the commission may not take any action on the
217 complaint, other than notifying the filer of the complaint. The
218 filer must be given 30 days to file an amended statement of
219 financial interests correcting any errors. If the filer does not
220 file an amended statement of financial interests within 30 days
221 after the commission sends notice of the complaint, the
222 commission may continue with proceedings pursuant to s. 112.324.

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223 (c) For purposes of this section, an error or omission is
224 immaterial, inconsequential, or de minimis if the original
225 filing provided sufficient information for the public to
226 identify potential conflicts of interest. However, failure to
227 certify completion of annual ethics training required under s.
228 112.3142 does not constitute an immaterial, inconsequential, or
229 de minimis error or omission.

230 Section 5. Section 112.3251, Florida Statutes, is created
231 to read:

232 112.3251 Citizen support and direct-support organizations;
233 standards of conduct.—A citizen support or direct-support
234 organization created or authorized pursuant to law must adopt
235 its own ethics code. The ethics code must contain the standards
236 of conduct and disclosures required under ss. 112.313 and
237 112.3143(2), respectively. However, an ethics code adopted
238 pursuant to this section is not required to contain the
239 standards of conduct specified in s. 112.313(3) or (7). The
240 citizen support or direct-support organization may adopt
241 additional or more stringent standards of conduct and disclosure
242 requirements, provided that those standards of conduct and
243 disclosure requirements do not otherwise conflict with this
244 part. The ethics code must be conspicuously posted on the
245 website of the citizen support or direct-support organization.

246 Section 6. Section 112.3261, Florida Statutes, is created
247 to read:



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248 112.3261 Lobbying before water management districts;
249 registration and reporting.-

250 (1) As used in this section, the term:

251 (a) "District" means a water management district created
252 in s. 373.069 and operating under the authority of chapter 373.

253 (b) "Lobbies" means seeking, on behalf of another person,
254 to influence a district with respect to a decision of the
255 district in an area of policy or procurement or an attempt to
256 obtain the goodwill of a district official or employee.

257 (c) "Lobbyist" has the same meaning as in s. 112.3215.

258 (d) "Principal" has the same meaning as in s. 112.3215.

259 (2) A person may not lobby a district until such person
260 has registered as a lobbyist with that district. Such
261 registration shall be due upon initially being retained to lobby
262 and is renewable on a calendar-year basis thereafter. Upon
263 registration, the person shall provide a statement signed by the
264 principal or principal's representative stating that the
265 registrant is authorized to represent the principal. The
266 principal shall also identify and designate its main business on
267 the statement authorizing that lobbyist pursuant to a
268 classification system approved by the district. Any changes to
269 the information required by this section must be disclosed
270 within 15 days by filing a new registration form. The
271 registration form shall require each lobbyist to disclose, under
272 oath, the following:

273 (a) The lobbyist's name and business address.

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274 (b) The name and business address of each principal
275 represented.

276 (c) The existence of any direct or indirect business
277 association, partnership, or financial relationship with any
278 officer or employee of a district with which he or she lobbies
279 or intends to lobby.

280 (d) In lieu of creating its own lobbyist registration
281 forms, a district may accept a completed legislative branch or
282 executive branch lobbyist registration form.

283 (3) A district shall make lobbyist registrations available
284 to the public. If a district maintains a website, a database of
285 currently registered lobbyists and principals must be available
286 on the district's website.

287 (4) A lobbyist shall promptly send a written statement to
288 the district cancelling the registration for a principal upon
289 termination of the lobbyist's representation of that principal.
290 A district may remove the name of a lobbyist from the list of
291 registered lobbyists if the principal notifies the district that
292 a person is no longer authorized to represent that principal.

293 (5) A district may establish an annual lobbyist
294 registration fee, not to exceed \$40, for each principal
295 represented. The district may use registration fees only to
296 administer the provisions of this section.

297 (6) A district shall be diligent to ascertain whether
298 persons required to register pursuant to this section have



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299 complied. A district may not knowingly authorize a person who is
300 not registered pursuant to this section to lobby the district.

301 (7) Upon receipt of a sworn complaint alleging that a
302 lobbyist or principal has failed to register with a district or
303 has knowingly submitted false information in a report or
304 registration required under this section, the commission shall
305 investigate a lobbyist or principal pursuant to the procedures
306 established under s. 112.324. The commission shall provide the
307 Governor with a report of its findings and recommendations in
308 any investigation conducted pursuant to this subsection. The
309 Governor is authorized to enforce the commission's findings and
310 recommendations.

311 Section 7. Section 286.012, Florida Statutes, is amended
312 to read:

313 286.012 Voting requirement at meetings of governmental
314 bodies.—A ~~No~~ member of a ~~any~~ state, county, or municipal
315 governmental board, commission, or agency who is present at a
316 ~~any~~ meeting of any such body at which an official decision,
317 ruling, or other official act is to be taken or adopted may not
318 abstain from voting in regard to any such decision, ruling, or
319 act; and a vote shall be recorded or counted for each such
320 member present, unless ~~except when~~, with respect to any such
321 member, there is, or appears to be, a possible conflict of
322 interest under ~~the provisions of~~ s. 112.311, s. 112.313, ~~or~~ s.
323 112.3143, or additional or more stringent standards of conduct,
324 if any, adopted pursuant to s. 112.326. If there is, or appears

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325 to be, a possible conflict under s. 112.311, s. 112.313, or s.
326 112.3143, the member shall comply with the disclosure
327 requirements of s. 112.3143. If the only conflict or possible
328 conflict is one arising from the additional or more stringent
329 standards adopted pursuant to s. 112.326, the member shall
330 comply with any disclosure requirements adopted pursuant to s.
331 112.326. If the official decision, ruling, or act occurs in the
332 context of a quasi-judicial proceeding, a member may abstain
333 from voting on such matter if the abstention is to assure a fair
334 proceeding free from potential bias or prejudice ~~In such cases,~~
335 ~~said member shall comply with the disclosure requirements of s.~~
336 ~~112.3143.~~

337 Section 8. Paragraph (c) of subsection (1) of section
338 288.901, Florida Statutes, is amended to read:

339 288.901 Enterprise Florida, Inc.—

340 (1) CREATION.—

341 (c) The president, senior managers, and members of the
342 board of directors of Enterprise Florida, Inc., are subject to
343 ss. 112.313(1) - (8), (10), (12), and (15); 112.3135; and
344 112.3143(2). For purposes of applying ss. 112.313(1) - (8),
345 (10), (12), and (15); 112.3135; and 112.3143(2) to activities of
346 the president, senior managers, and members of the board of
347 directors, those persons shall be considered public officers or
348 employees and the corporation shall be considered their agency.
349 ~~The Legislature determines that it is in the public interest for~~
350 ~~the members of Enterprise Florida, Inc., board of directors to~~

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351 ~~be subject to the requirements of ss. 112.3135, 112.3143(2), and~~
352 ~~112.313, excluding s. 112.313(2), notwithstanding the fact that~~
353 ~~the board members are not public officers or employees. For~~
354 ~~purposes of those sections, the board members shall be~~
355 ~~considered to be public officers or employees. The exemption set~~
356 ~~forth in s. 112.313(12) for advisory boards applies to the~~
357 ~~members of Enterprise Florida, Inc., board of directors.~~
358 Further, each member of the board of directors who is not
359 otherwise required to file financial disclosures pursuant to s.
360 8, Art. II of the State Constitution or s. 112.3144, shall file
361 disclosure of financial interests pursuant to s. 112.3145.

362 Section 9. Present paragraph (b) of subsection (2) of
363 section 288.92, Florida Statutes, is redesignated as paragraph
364 (c), and a new paragraph (b) is added to that subsection, to
365 read:

366 288.92 Divisions of Enterprise Florida, Inc.—

367 (2)

368 (b)1. The following officers and board members are subject
369 to ss. 112.313(1) - (8), (10), (12), and (15); 112.3135; and
370 112.3143(2):

371 a. Officers and members of the board of directors of the
372 divisions of Enterprise Florida, Inc.;

373 b. Officers and members of the board of directors of
374 subsidiaries of Enterprise Florida, Inc.;



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375 c. Officers and members of the board of directors of
376 corporations created to carry out the missions of Enterprise
377 Florida, Inc.; and

378 d. Officers and members of the board of directors of
379 corporations with which a division is required by law to
380 contract to carry out its missions.

381 2. For purposes of applying ss. 112.313(1) - (8), (10),
382 (12), and (15); 112.3135; and 112.3143(2) to activities of the
383 officers and members of the board of directors specified in
384 subparagraph 1., those persons shall be considered public
385 officers or employees and the corporation shall be considered
386 their agency.

387 Section 10. Paragraph (a) of subsection (3) of section
388 288.9604, Florida Statutes, is amended to read:

389 288.9604 Creation of the authority.-

390 (3)(a)1. A director may not ~~shall~~ receive ~~no~~ compensation
391 for his or her services, but is entitled to ~~the~~ necessary
392 expenses, including travel expenses, incurred in the discharge
393 of his or her duties. Each director shall hold office until his
394 or her successor has been appointed.

395 2. Directors are subject to ss. 112.313(1) - (8), (10),
396 (12), and (15); 112.3135; and 112.3143(2). For purposes of
397 applying ss. 112.313(1) - (8), (10), (12), and (15); 112.3135;
398 and 112.3143(2) to activities of directors, directors shall be
399 considered public officers and the corporation shall be
400 considered their agency.

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401 Section 11. Paragraph (d) of subsection (6) of section
402 627.351, Florida Statutes, is amended to read:

403 627.351 Insurance risk apportionment plans.—

404 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

405 (d)1. All prospective employees for senior management
406 positions, as defined by the plan of operation, are subject to
407 background checks as a prerequisite for employment. The office
408 shall conduct the background checks pursuant to ss. 624.34,
409 624.404(3), and 628.261.

410 2. On or before July 1 of each year, employees of the
411 corporation must sign and submit a statement attesting that they
412 do not have a conflict of interest, as defined in part III of
413 chapter 112. As a condition of employment, all prospective
414 employees must sign and submit to the corporation a conflict-of-
415 interest statement.

416 3. The executive director, senior managers, and members of
417 the board of governors are subject to part III of chapter 112,
418 including, but not limited to, the code of ethics and public
419 disclosure and reporting of financial interests, pursuant to s.
420 112.3145. For purposes of applying part III of chapter 112 to
421 activities of the executive director, senior managers, and
422 members of the board of governors, those persons shall be
423 considered public officers or employees and the corporation
424 shall be considered their agency. Notwithstanding s.
425 112.3143(2), a board member may not vote on any measure that
426 would inure to his or her special private gain or loss; that he

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427 or she knows would inure to the special private gain or loss of
428 any principal by whom he or she is retained or to the parent
429 organization or subsidiary of a corporate principal by which he
430 or she is retained, other than an agency as defined in s.
431 112.312; or that he or she knows would inure to the special
432 private gain or loss of a relative or business associate of the
433 public officer. Before the vote is taken, such member shall
434 publicly state to the assembly the nature of his or her interest
435 in the matter from which he or she is abstaining from voting
436 and, within 15 days after the vote occurs, disclose the nature
437 of his or her interest as a public record in a memorandum filed
438 with the person responsible for recording the minutes of the
439 meeting, who shall incorporate the memorandum in the minutes.
440 Senior managers and board members are also required to file such
441 disclosures with the Commission on Ethics and the Office of
442 Insurance Regulation. The executive director of the corporation
443 or his or her designee shall notify each existing and newly
444 appointed member of the board of governors and senior managers
445 of their duty to comply with the reporting requirements of part
446 III of chapter 112. At least quarterly, the executive director
447 or his or her designee shall submit to the Commission on Ethics
448 a list of names of the senior managers and members of the board
449 of governors who are subject to the public disclosure
450 requirements under s. 112.3145.

451 4. Notwithstanding s. 112.3148, ~~or~~ s. 112.3149, or any
452 other provision of law, an employee or board member may not



Amendment No.

453 knowingly accept, directly or indirectly, any gift or
454 expenditure from a person or entity, or an employee or
455 representative of such person or entity, which has a contractual
456 relationship with the corporation or who is under consideration
457 for a contract. An employee or board member who fails to comply
458 with subparagraph 3. or this subparagraph is subject to
459 penalties provided under ss. 112.317 and 112.3173.

460 5. Any senior manager of the corporation who is employed
461 on or after January 1, 2007, regardless of the date of hire, who
462 subsequently retires or terminates employment is prohibited from
463 representing another person or entity before the corporation for
464 2 years after retirement or termination of employment from the
465 corporation.

466 6. The executive director, members of the board of
467 governors, and Any senior managers manager of the corporation
468 are who is employed on or after January 1, 2007, regardless of
469 the date of hire, who subsequently retires or terminates
470 employment is prohibited from having any employment or
471 contractual relationship for 2 years after retirement from or
472 termination of service to the corporation with an insurer that
473 has entered into a take-out bonus agreement with the
474 corporation.

475 Section 12. This act shall take effect July 1, 2014.

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477

478

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

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Amendment No.

479 Remove everything before the enacting clause and insert:
480 A bill to be entitled
481 An act relating to governmental ethics; amending s.
482 28.35, F.S.; specifying the applicability of certain
483 provisions of the Code of Ethics for Public Officers
484 and Employees to members of the executive council of
485 the Florida Clerks of Court Operations Corporation;
486 amending s. 112.3142, F.S.; requiring elected
487 municipal officers to participate in annual ethics
488 training; providing legislative intent; amending s.
489 112.3144, F.S.; requiring an officer required to
490 participate in annual ethics training to certify
491 participation on his or her full and public disclosure
492 of financial interests; revising the conditions under
493 which a qualifying officer forwards a full and public
494 disclosure of financial interests to the Commission on
495 Ethics; requiring the Commission on Ethics to initiate
496 an investigation and hold a public hearing without
497 receipt of a complaint in certain circumstances;
498 requiring the commission to enter an order
499 recommending removal of an officer or public employee
500 from public office or public employment in certain
501 circumstances; prohibiting the commission from taking
502 action on a complaint alleging certain errors or
503 omissions on a disclosure; providing that failure to
504 certify completion of annual ethics training on a

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Amendment No.

505 disclosure does not constitute an immaterial,
506 inconsequential, or de minimis error or omission;
507 amending s. 112.3145, F.S.; requiring an officer
508 required to participate in annual ethics training to
509 certify participation on his or her statement of
510 financial interests; requiring the Commission on
511 Ethics to initiate an investigation and hold a public
512 hearing without receipt of a complaint in certain
513 circumstances; requiring the commission to enter an
514 order to remove an officer or public employee from
515 public office or public employment in certain
516 circumstances; prohibiting the commission from taking
517 action on a complaint alleging certain errors or
518 omissions on a statement; providing that failure to
519 certify completion of annual ethics training on a
520 statement does not constitute an immaterial,
521 inconsequential, or de minimis error or omission;
522 creating s. 112.3251, F.S.; requiring citizen support
523 and direct-support organizations to adopt a code of
524 ethics; establishing minimum requirements for a code
525 of ethics; creating s. 112.3261, F.S.; defining terms;
526 prohibiting a person from lobbying a water management
527 district before registering; establishing registration
528 requirements; requiring public availability of
529 lobbyist registrations; establishing procedures for
530 termination of a lobbyist's registration; authorizing

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Amendment No.

531 a water management district to establish a
532 registration fee; requiring a water management
533 district to monitor compliance with registration
534 requirements; requiring the commission to investigate
535 a lobbyist or principal upon receipt of a sworn
536 complaint containing certain allegations; requiring
537 the commission to provide the Governor with a report
538 on the findings and recommendations resulting from the
539 investigation; authorizing the Governor to enforce the
540 commission's findings and recommendations; amending s.
541 286.012, F.S.; revising disclosure requirements with
542 respect to a voting abstention at a meeting of a
543 governmental body; authorizing a member to abstain
544 from voting on a decision, ruling, or act in a quasi-
545 judicial proceeding under certain circumstances;
546 amending s. 288.901, F.S.; specifying the
547 applicability of certain provisions of the Code of
548 Ethics for Public Officers and Employees to the
549 president, senior managers, and members of the board
550 of directors of Enterprise Florida, Inc.; amending s.
551 288.92, F.S.; specifying the applicability of certain
552 provisions of the Code of Ethics for Public Officers
553 and Employees to certain officers and board members
554 associated with the divisions of Enterprise Florida,
555 Inc.; amending s. 288.9604, F.S.; specifying the
556 applicability of certain provisions of the Code of

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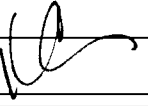


Amendment No.

557 Ethics for Public Officers and Employees to the board
558 of directors of the Florida Development Finance
559 Corporation; amending s. 627.351, F.S.; specifying the
560 applicability of certain provisions of the Code of
561 Ethics for Public Officers and Employees to the
562 executive director of Citizens Property Insurance
563 Corporation; prohibiting a former executive director,
564 senior manager, or member of the board of governors
565 from entering employment or a contractual relationship
566 for a specified timeframe with certain insurers;
567 providing an effective date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1153 Citizen Support and Direct-Support Organizations
SPONSOR(S): Government Operations Subcommittee, Hager
TIED BILLS: IDEN./SIM. BILLS: CS/SB 1194

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Government Operations Subcommittee	10 Y, 2 N, As CS	Stramski	Williamson
2) Government Operations Appropriations Subcommittee	11 Y, 1 N	White	Topp
3) State Affairs Committee		Stramski	Camechis 

SUMMARY ANALYSIS

Citizen support organizations (CSOs) and direct-support organizations (DSOs) are statutorily created entities that are generally required to be non-profit corporations and are authorized to carry out specific tasks in support of public entities or public causes. While CSOs and DSOs are subject to audits by the Auditor General and are subject to public records requirements, there is no single requirement for CSO and DSO reporting imposed by law.

There are many statutes that create or authorize the establishment of CSOs and DSOs. However, there is no formal review process in law to determine whether a CSO or DSO was established pursuant to such authorization, or whether the rationale for the authorization remains applicable.

The bill creates new reporting and transparency requirements for each CSO and DSO that is created or authorized pursuant to law or executive order and created, approved, or administered by a state agency. The bill requires each CSO and DSO to report information related to its organization, mission, and finances to the agency it was created to support. A contract between an agency and a CSO or DSO must require the CSO or DSO to provide such information to the agency, and must require the agency to terminate the contract if the CSO or DSO fails to provide the information for two consecutive years. The bill requires each agency receiving such information from a CSO or DSO to make the information available on its website, and to provide a link to the CSO's or DSO's website if such a website exists.

The bill requires each agency to annually report to the Governor, the Legislature, and the Office of Program Policy Analysis and Government Accountability the information provided to the agency by the CSO or DSO, and to make a recommendation on whether to continue, terminate, or modify the agency's association with the CSO or DSO.

The bill provides that a law creating or authorizing the creation of a CSO or DSO must state that the creation or authorization is repealed on October 1 of the fifth year after enactment, unless reviewed and saved from repeal through reenactment by the Legislature. The bill directs the Legislature to review CSOs and DSOs in existence on the effective date of the bill by July 1, 2019.

The bill provides for the future repeal of certain sections of law authorizing CSOs and DSOs unless those sections are reviewed and saved from repeal by the Legislature.

The bill may have an indeterminate fiscal impact on state government. The bill does not appear to have a fiscal impact on local government. See FISCAL COMMENTS.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Citizen support organizations (CSOs) and direct-support organizations (DSOs) are statutorily created entities that are generally required to be non-profit corporations and are authorized to carry out specific tasks in support of public entities or public causes. While CSOs and DSOs are subject to audits by the Auditor General¹ and are subject to public records requirements, there is no single requirement for CSO and DSO reporting imposed by law.

Section 215.981, F.S., requires each CSO and DSO with annual expenditures in excess of \$100,000, created or authorized pursuant to law, and created, approved, or administered by a state agency, other than a university, community college, or district school board, to provide for an annual financial audit of its accounts and records to be conducted by an independent certified public accountant in accordance with rules adopted by the Auditor General and the state agency that created, approved, or administers the CSO or DSO. The audit report must be submitted within nine months after the end of the fiscal year to the Auditor General and to the state agency. Additionally, the Auditor General may, pursuant to his or her own authority, or at the direction of the Legislative Auditing Committee, conduct audits or other engagements of the CSO's or DSO's accounts and records.² The Auditor General is authorized to require and receive any records from the CSO or DSO, or from its independent auditor.³

Notwithstanding the above, CSOs and DSOs for the Department of Environmental Protection (DEP) or the Department of Agriculture and Consumer Services that are not for profit and that have annual expenditures of less than \$300,000 are not required to have an independent audit. These departments are required to establish accounting and financial management guidelines for the CSOs and DSOs under their jurisdiction, and must annually conduct operational and financial reviews of a selected number of CSOs or DSOs that fall below the \$300,000 threshold.⁴

There are many statutes that create or authorize the establishment of CSOs and DSOs. However, there is no formal review process in law to determine whether a CSO or DSO was established pursuant to such authorization, or whether the rationale for the authorization remains applicable.

Statutes that create or authorize the establishment of CSOs and DSOs include in part the following:

- Section 14.29(9), F.S., assigns the Florida Commission on Community Service to the Executive Office of the Governor to serve as an advisory board on matters relating to volunteerism and community service. Pursuant to the law, the commission may establish a DSO to receive, hold, invest, and administer property and funds and to make expenditures to or for the benefit of community service programs.
- Section 16.616, F.S., requires the Department of Legal Affairs to establish a DSO that supports the Council on the Social Status of Black Men and Boys and develops funding initiatives.
- Section 20.2551, F.S., specifies the organizational requirements and duties for a CSO to support DEP or individual units of DEP.

¹ Section 11.45(3), F.S.

² *Id.*

³ Section 11.45(3)(d), F.S.

⁴ Section 215.981, F.S.

- Section 39.0011, F.S., authorizes the Office of Adoption and Child Protection in the Executive Office of the Governor to establish a DSO to assist the state in carrying out its purposes and responsibilities regarding the promotion of adoption, support of adoptive families, and prevention of child abuse.
- Section 39.8298, F.S., authorizes the Statewide Guardian Ad Litem Office, which has oversight responsibilities for and provides technical assistance to all guardian ad litem and attorney ad litem programs located within the judicial circuits, to create a DSO tasked in part with raising funds and making expenditures to or for the direct or indirect benefit of the Statewide Guardian Ad Litem Office.
- Section 250.115, F.S., authorizes the creation of a DSO for the Department of Military Affairs tasked in part with raising funds and making expenditures to or for the direct or indirect benefit of the Department of Military Affairs. Section 250.116, F.S., specifies that the DSO may provide assistance in the operation of the Soldiers and Airmen Assistance Program, which provides financial assistance and services to eligible servicemembers of the Florida National Guard and eligible members of their families.
- Section 257.43, F.S., authorizes the Division of Library and Information Services of the Department of State to support the establishment of a CSO to provide assistance, funding, and promotional support for the library, archives, and records management programs of the division.
- Section 258.015, F.S., specifies the organizational requirements and duties of a CSO to support the state park system or individual units of the state park system.
- Section 259.10521, F.S., specifies the organizational requirements and duties of a CSO to support the Babcock Ranch Preserve, with approval of the Fish and Wildlife Conservation Commission and the Florida Forest Service.
- Section 265.703, F.S., authorizes the Division of Cultural Affairs of the Department of State to support the establishment of CSOs to provide assistance, funding, and promotional support for the cultural, arts, historical, and museum programs of the division.
- Section 267.17, F.S., authorizes the Division of Historical Resources of the Department of State to support the establishment of CSOs to provide assistance, funding, and promotional support for the archaeology, museum, folklife, and historic preservation programs of the division.
- Section 288.1226, F.S., establishes the Florida Tourism Industry Marketing Corporation as a DSO of Enterprise Florida, Inc., intended to perform duties necessary to carry out the four-year marketing plan of Enterprise Florida, and to support state programs that relate to the statewide, national, and international promotion and marketing of tourism. This DSO staffs the Division of Tourism Marketing in Enterprise Florida.⁵
- Section 288.809, F.S., establishes the Florida Intergovernmental Relations Foundation as a DSO organized and operated exclusively to solicit, receive, hold, invest, and administer property and, subject to the approval of the state protocol officer, to make expenditures to or for the promotion of intergovernmental relations programs.
- Section 288.923, F.S., authorizes Enterprise Florida, Inc. to contract with the Florida Tourism Industry Marketing Corporation, a direct-support organization established in s. 288.1226, F.S., to execute tourism promotion and marketing services, functions, and programs for the state.

⁵ Section 288.92, F.S., authorizes Enterprise Florida, Inc., to create and dissolve divisions as necessary to carry out its mission. At a minimum, Enterprise Florida, Inc., must have divisions related to certain specific areas, including tourism marketing. Section 288.923, F.S., also establishes the Division of Tourism Marketing to be staffed by the DSO.

- Section 292.055, F.S., authorizes the Department of Veterans' Affairs to establish a DSO to provide assistance, funding, and support for the department, the veterans of the state, and congressionally chartered veteran service organizations having subdivisions that are incorporated in this state.
- Section 379.223, F.S., permits the Fish and Wildlife Conservation Commission to authorize the establishment of CSOs to provide assistance, funding, and promotional support for the programs of the commission.
- Section 413.0111, F.S., authorizes the Division of Blind Services to incorporate a DSO to conduct programs and activities, initiate developmental projects, raise and administer funds or property, and make expenditures for the direct or indirect benefit of the state and for blind persons in Florida.
- Section 413.615, F.S., authorizes the Florida Endowment Foundation for Vocational Rehabilitation as a DSO of the Division of Vocational Rehabilitation within the Department of Education to encourage public and private support to enhance vocational rehabilitation and employment of citizens who are disabled.
- Section 430.82, F.S., permits the Department of Elderly Affairs to establish a DSO to provide assistance, funding, and support for the department in carrying out its mission.
- Section 570.903, F.S., permits the Department of Agriculture and Consumer Services to authorize the establishment of DSOs to provide assistance, funding, and promotional support for the museums and other programs of the department.
- Section 570.9135, F.S., creates the Florida Beef Council, Inc., as a DSO of the Department of Agriculture and Consumer Services to conduct programs of promotion, research, and consumer or industry information designed to strengthen the cattle industry's market position in the state. The DSO may impose an assessment of up to \$1 on each head of cattle sold in the state in order to fund its activities.
- Section 626.9895, F.S., authorizes the Division of Insurance Fraud of the Department of Financial Services to establish a DSO, to be known as the Automobile Insurance Fraud Strike Force, whose sole purpose is to support the prosecution, investigation, and prevention of motor vehicle insurance fraud.
- Section 683.231, F.S., authorizes the Department of Law Enforcement to establish a CSO to provide assistance, funding, and promotional support for activities authorized for Florida Missing Children's Day, designated each year in remembrance of Florida's past and present missing children and in recognition of continued state efforts to protect the safety of children through prevention, education, and community involvement.⁶
- Section 744.7082, F.S., specifies the organizational requirements for a DSO to support the Statewide Public Guardianship Office within the Department of Elderly Affairs.
- Section 893.055(11), F.S., authorizes the Department of Health to establish a DSO to provide assistance, funding, and promotional support for the activities of the prescription drug monitoring program.
- Section 944.802, F.S., specifies the organizational requirements and duties for a DSO to support the Department of Corrections or individual units of the state correctional system.

⁶ Section 683.23, F.S.
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- Section 960.002, F.S., permits the Governor to authorize a DSO to assist in addressing the needs of victims of adult and juvenile crime. The DSO must operate under a contract with the Executive Office of the Governor.
- Section 985.672, F.S., specifies the organizational requirements and duties for a DSO to support the Department of Juvenile Justice or the juvenile justice system operated by a county commission or a circuit board.
- Section 1009.983, F.S., authorizes the Florida Prepaid College Board, which administers the Florida College Savings Program, to establish a DSO to make expenditures to or for the benefit of the board, and to administer the Florida Prepaid Tuition Scholarship Program, which provides economically disadvantaged youth with prepaid postsecondary tuition scholarships.⁷

Effect of Bill

The bill creates new reporting and transparency requirements for each CSO and DSO that is created or authorized pursuant to law or executive order and created, approved, or administered by a state agency. The bill requires each CSO and DSO to report information related to its organization, mission, and finances to the agency it was created to support. Specifically, the CSO or DSO must provide:

- The name, mailing address, telephone number, and website address of the organization;
- The statutory authority or executive order that created the CSO or DSO;
- A brief description of the mission of, and results obtained by, the organization;
- A brief description of the organization's plans for the next three fiscal years;
- A copy of the organization's code of ethics; and
- A copy of the organization's most recent federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990).

A contract between an agency and a CSO or DSO entered into on or after July 1, 2014, must require the CSO or DSO to submit the information that must be provided to an agency pursuant to this bill. The contract also must require the agency to terminate the contract if a CSO or DSO fails to submit the required information for two consecutive years. Each agency receiving such information from a CSO or DSO must make the information available on its website, and must provide a link to the CSO's or DSO's website if such a website exists.

The bill requires each agency to report the information provided to the agency by the CSO or DSO by August 30 of each year to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability, and to make a recommendation on whether to continue, terminate, or modify the agency's association with the CSO or DSO.

The bill provides that a law creating or authorizing the creation of a CSO or DSO must state that the creation authorization is repealed on October 1 of the fifth year after enactment, unless reviewed and saved from repeal through reenactment by the Legislature. The bill directs the Legislature to review CSOs and DSOs in existence on the effective date of the bill by July 1, 2019.

The bill provides for the future repeal of certain sections of law establishing, authorizing, or permitting the creation of CSOs or DSOs, or specifying requirements for and duties of a CSO or DSO. The bill does not provide for future repeal of all sections pertaining to a CSO or DSO. For example, the bill excludes university DSOs and the CSO authorized to support the Florida Historic Capitol.

The bill provides for repeal of the sections provided in the following chart, unless reviewed and saved from repeal by the Legislature:

Bill Section	Statute	Organization	Repealed October 1 of:
5	39.0011	Office of Adoption and Child Protection DSO (Executive Office of the Governor)	2017
7	250.115	Department of Military Affairs DSO	2017
16	292.055	Department of Veterans' Affairs DSO	2017
18	413.0111	Blind Services DSO	2017
19	413.615	Florida Endowment for Vocational Rehabilitation (DSO of Department of Education)	2017
20	430.82	Department of Elderly Affairs DSO	2017
26	893.055	Prescription drug monitoring program DSO	2017
30	1009.983	Florida Prepaid College Board DSO	2017
1	14.29(9)	Florida Commission on Community Service DSO	2018
2	16.616	Council on Social Status of Black Men and Boys DSO	2018
6	39.8298	Guardian Ad Litem DSO	2018
24	683.231	Florida Missing Children's Day CSO	2018
25	744.7082	Statewide Public Guardianship Office DSO	2018
27	944.802	Department of Corrections DSO	2018
28	960.002	DSO to assist victims of crime	2018
29	985.672	Department of Juvenile Justice DSO	2018
4	20.2551	Department of Environmental Protection CSO	2019
8	257.43	Division of Library and Information Services of the Department of State CSO	2019
9	258.015	Division of Recreation and Parks of the Department of Environmental Protection CSOs	2019
10	259.10521	Babcock Ranch CSO	2019
11	265.703	Department of State CSO	2019
12	267.17	Division of Historical Resources of the Department of State CSOs	2019
13	288.1226	Florida Tourism Industry Marketing Corporation (DSO of Enterprise Florida, Inc.) and the Division of Tourism Marketing ⁸	2019
14	288.809	Florida Intergovernmental Relations Foundation (DSO of the Executive Office of the Governor)	2019
15	288.923	Duties of the Division of Tourism Marketing	2019
17	379.223	Fish and Wildlife Conservation Commission CSOs	2019
21	570.903	Department of Agriculture and Consumer Services DSO	2019
22	570.9135	Florida Beef Council (DSO of the Department of Agriculture and Consumer Services)	2019
23	626.9895	Motor vehicle insurance fraud DSO	2019
			TOTAL: 29

Eighteen of the above statutes specify what happens to the funds held by the CSO or DSO if the organization ceases to exist; however, 11 of the above statutes do not address such a scenario.

⁸ See FN 5.

B. SECTION DIRECTORY:

Section 1 amends s. 14.29, F.S.; providing for future review and repeal of provisions authorizing the Florida Commission on Community Service to establish and operate a DSO.

Section 2 amends s. 16.616, F.S.; providing for future review and repeal of the DSO established within the Department of Legal Affairs.

Section 3 creates s. 20.058, F.S.; requiring CSOs and DSOs to annually submit certain information to the agency the organization was created to support; requiring each agency receiving such information to post submissions on the agency's website; requiring each agency receiving such information to annually submit a report to the Governor, the Legislature, and the Office of Program Policy Analysis and Government Accountability; providing report requirements; requiring that a contract entered into between an agency and a CSO or DSO on or after July 1, 2014, contain certain provisions; requiring that each CSO or DSO created or authorized by law be subject to legislative review and repeal; and requiring that CSOs and DSOs in existence as of a certain date be subject to future legislative review.

Section 4 amends s. 20.2551, F.S.; providing for future review and repeal of the CSO established within DEP.

Section 5 amends s. 39.0011, F.S.; providing for future review and repeal of the DSO of the Office of Adoption and Child Protection.

Section 6 amends s. 39.8298, F.S.; providing for future review and repeal of the Statewide Guardian Ad Litem Office's authorization to create a DSO.

Section 7 amends s. 250.115, F.S.; providing for future review and repeal of the DSO of the Department of Military Affairs.

Section 8 amends s. 257.43, F.S.; providing for future review and repeal of the CSO of the Division of Library and Information Services of the Department of State.

Section 9 amends s. 258.015, F.S.; providing for future review and repeal of provisions relating to CSOs under the Division of Recreation and Parks of DEP.

Section 10 amends s. 259.10521, F.S.; providing for future review and repeal of the CSO benefitting the Babcock Ranch Preserve.

Section 11 amends s. 265.703, F.S.; providing for future review and repeal of the CSO of the Division of Cultural Affairs of the Department of State.

Section 12 amends s. 267.17, F.S.; providing for future review and repeal of the CSO of the Division of Historical Resources of the Department of State.

Section 13 amends s. 288.1226, F.S.; providing for future review and repeal of the Florida Tourism Industry Marketing Corporation.

Section 14 amends s. 288.809, F.S.; providing for future review and repeal of the Florida Intergovernmental Relations Foundation.

Section 15 amends s. 288.923, F.S.; providing for future review and repeal of the Division of Tourism Marketing of Enterprise Florida, Inc.

Section 16 amends s. 292.055, F.S.; providing for future review and repeal of the DSO of the Department of Veterans' Affairs.

Section 17 amends s. 379.223, F.S.; providing for future review and repeal of the Fish and Wildlife Conservation Commission's authorization to establish CSOs.

Section 18 amends s. 413.0111, F.S.; providing for future review and repeal of the DSO of the Division of Blind Services of the Department of Education.

Section 19 amends s. 413.615, F.S.; providing for future review and repeal of the Florida Endowment Foundation for Vocational Rehabilitation.

Section 20 amends s. 430.82, F.S.; providing for future review and repeal of the Department of Elderly Affairs' authority to establish a DSO.

Section 21 amends s. 570.903, F.S.; providing for future review and repeal of the Department of Agriculture and Consumer Services' authority to establish a DSO.

Section 22 amends s. 570.9135, F.S.; providing for future review and repeal of Florida Beef Council, Inc.

Section 23 amends s. 626.9895, F.S.; providing for future review and repeal of the Division of Insurance Fraud of the Department of Financial Services' authority to establish a DSO.

Section 24 amends s. 683.231, F.S.; providing for future review and repeal of the Department of Law Enforcement's authority to establish a CSO for Florida Missing Children's Day.

Section 25 amends s. 744.7082, F.S.; providing for future review and repeal of the DSO supporting the Statewide Public Guardianship Office.

Section 26 amends s. 893.055, F.S.; providing for future review and repeal of the Department of Health's authority to establish a DSO supporting the prescription drug monitoring program.

Section 27 amends s. 944.802, F.S.; providing for future review and repeal of the Department of Corrections' authority to establish a DSO.

Section 28 amends s. 960.002, F.S.; providing for future review and repeal of the Governor's authority to authorize a DSO to assist victims of adult and juvenile crime.

Section 29 amends s. 985.672, F.S.; providing for future review and repeal of the Department of Juvenile Justice's DSO.

Section 30 amends s. 1009.983, F.S.; providing for future review and repeal of the Florida Prepaid College Board's authority to establish a DSO.

Section 31 provides that the bill takes effect upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS.

2. Expenditures:

See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

There may be an indeterminate fiscal impact to CSOs and DSOs caused by the reporting requirements in this bill.

D. FISCAL COMMENTS:

If the bill results in the repeal of CSOs or DSOs, the state may experience indeterminate negative and positive fiscal impacts.

An indeterminate negative fiscal impact may result from reduced revenues available to certain public entities that may receive support from CSOs or DSOs.⁹

The bill requires agencies to prepare and submit reports relating to information provided to them by CSOs and DSOs, and to make such information available on agency websites. These reporting and website modification requirements may result in a minimal negative fiscal impact on agencies.

An indeterminate positive fiscal impact on the state might result following the repeal of CSOs or DSOs if the state was previously required to provide financial support to such CSOs or DSOs; for example if the state was required to provide for reimbursement of per diem and travel reimbursements for the board members of such CSOs and DSOs.¹⁰

For 11 of the 29 CSOs and DSOs scheduled to repeal, the statutes do not address what should be done with funds held by these 11 CSOs and DSOs if the organizations cease to exist. The statutes direct what happens to the funds held by the other 18 organizations. For example, s. 413.615(6), F.S., requires the contract between the Florida Endowment Foundation and the Department of Education's Division of Vocational Rehabilitation to provide for the reversion to the state of any funds held by the Foundation if the contract is terminated. Another example includes the Automotive Insurance Fraud Strike Force. Section 626.9895(3), F.S., requires the contract between the Automobile Insurance Fraud Strike Force and the Division of Insurance Fraud of the Department of Financial Services to provide for the reversion to the state of any funds held by the Task Force if the Task Force is no longer approved to operate or the contract is terminated.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

⁹ The Department of Elderly Affairs has indicated that if this bill results in the repeal of the authority for the Foundation for Indigent Guardianship, Inc., a DSO, the department would no longer receive support for its public guardianship programs through the State of Florida Public Guardianship Pooled Special Needs Trust. Agency Bill Analysis for HB 1153 by the Department of Elderly Affairs, March 5, 2014 (on file with the Government Operations Subcommittee).

¹⁰ See for example s. 14.29(6), F.S.

The bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not appear to create a need for executive branch rulemaking or rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Other Comments: Reporting Requirements for CSOs and DSOs

The bill requires each CSO and DSO to annually submit to the agency that the organization was created to support a copy of the organization's most recent federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990). However, not all CSOs and DSOs are required by law to have federal tax exempt status.¹¹

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 31, 2014, the Government Operations Subcommittee adopted a proposed committee substitute for HB 1153 and reported the bill favorably as a committee substitute. The committee substitute:

- Removes certain proposed CSO and DSO annual reporting requirements related to expenditures and capital improvements.
- Revises the proposed annual report date by changing it to August 30 instead of August 1.
- Clarifies that any contract entered into between an agency and a CSO or DSO on or after July 1, 2014, must contain provisions that require the CSO or DSO to submit a report and requires the agency head to terminate the contract if the CSO or DSO fails to do so for two consecutive years.

This analysis is drafted to the committee substitute as passed by the Government Operations Subcommittee.

¹¹ See for example s. 744.7082, F.S.
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DATE: 4/8/2014

27 | direct-support organizations in existence as of a
 28 | certain date be subject to future legislative review;
 29 | amending s. 20.2551, F.S.; providing for future review
 30 | and repeal of the citizen support organization
 31 | established within the Department of Environmental
 32 | Protection; amending s. 39.0011, F.S.; providing for
 33 | future review and repeal of the direct-support
 34 | organization of the Office of Adoption and Child
 35 | Protection; amending s. 39.8298, F.S.; providing for
 36 | future review and repeal of the Statewide Guardian Ad
 37 | Litem Office's authorization to create a direct-
 38 | support organization; amending s. 250.115, F.S.;
 39 | providing for future review and repeal of the direct-
 40 | support organization of the Department of Military
 41 | Affairs; amending s. 257.43, F.S.; providing for
 42 | future review and repeal of the citizen support
 43 | organization of the Division of Library and
 44 | Information Services of the Department of State;
 45 | amending s. 258.015, F.S.; providing for future review
 46 | and repeal of provisions relating to citizen support
 47 | organizations under the Division of Recreation and
 48 | Parks of the Department of Environmental Protection;
 49 | amending s. 259.10521, F.S.; providing for future
 50 | review and repeal of the citizen support organization
 51 | benefitting the Babcock Ranch Preserve; amending s.
 52 | 265.703, F.S.; providing for future review and repeal

53 of the citizen support organization of the Division of
 54 Cultural Affairs of the Department of State; amending
 55 s. 267.17, F.S.; providing for future review and
 56 repeal of the citizen support organization of the
 57 Division of Historical Resources of the Department of
 58 State; amending s. 288.1226, F.S.; providing for
 59 future review and repeal of the Florida Tourism
 60 Industry Marketing Corporation; amending s. 288.809,
 61 F.S.; providing for future review and repeal of the
 62 Florida Intergovernmental Relations Foundation;
 63 amending s. 288.923, F.S.; providing for future review
 64 and repeal of the Division of Tourism Marketing of
 65 Enterprise Florida, Inc.; amending s. 292.055, F.S.;
 66 providing for future review and repeal of the direct-
 67 support organization of the Department of Veterans'
 68 Affairs; amending s. 379.223, F.S.; providing for
 69 future review and repeal of the Fish and Wildlife
 70 Conservation Commission's authorization to establish
 71 citizen support organizations; amending s. 413.0111,
 72 F.S.; providing for future review and repeal of the
 73 direct-support organization of the Division of Blind
 74 Services of the Department of Education; amending s.
 75 413.615, F.S.; providing for future review and repeal
 76 of the Florida Endowment Foundation for Vocational
 77 Rehabilitation; amending s. 430.82, F.S.; providing
 78 for future review and repeal of the Department of

79 | Elderly Affairs' authority to establish a direct-
 80 | support organization; amending s. 570.903, F.S.;
 81 | providing for future review and repeal of the
 82 | Department of Agriculture and Consumer Services'
 83 | authority to establish a direct-support organization;
 84 | amending s. 570.9135, F.S.; providing for future
 85 | review and repeal of Florida Beef Council, Inc.;
 86 | amending s. 626.9895, F.S.; providing for future
 87 | review and repeal of the Division of Insurance Fraud
 88 | of the Department of Financial Services' authority to
 89 | establish a direct-support organization; amending s.
 90 | 683.231, F.S.; providing for future review and repeal
 91 | of the Department of Law Enforcement's authority to
 92 | establish a citizen support organization for Florida
 93 | Missing Children's Day; amending s. 744.7082, F.S.;
 94 | providing for future review and repeal of the direct-
 95 | support organization supporting the Statewide Public
 96 | Guardianship Office; amending s. 893.055, F.S.;
 97 | providing for future review and repeal of the
 98 | Department of Health's authority to establish a
 99 | direct-support organization supporting the
 100 | prescription drug monitoring program; amending s.
 101 | 944.802, F.S.; providing for future review and repeal
 102 | of the Department of Corrections' authority to
 103 | establish a direct-support organization; amending s.
 104 | 960.002, F.S.; providing for future review and repeal

105 of the Governor's authority to authorize a direct-
 106 support organization to assist victims of adult and
 107 juvenile crime; amending s. 985.672, F.S.; providing
 108 for future review and repeal of the Department of
 109 Juvenile Justice's direct-support organization;
 110 amending s. 1009.983, F.S.; providing for future
 111 review and repeal of the Florida Prepaid College
 112 Board's authority to establish a direct-support
 113 organization; providing an effective date.

114

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

116

117 Section 1. Subsections (9), (10), (11), (12), (13), (14),
 118 and (15) of section 14.29, Florida Statutes, are amended to
 119 read:

120 14.29 Florida Commission on Community Service.—

121 (9) (a) The commission may establish a direct-support
 122 organization which is:

123 1.(a) A Florida corporation, not for profit, incorporated
 124 under the provisions of chapter 617 and approved by the
 125 Secretary of State.

126 2.(b) Organized and operated exclusively to receive, hold,
 127 invest, and administer property and funds and to make
 128 expenditures to or for the benefit of the program.

129 3.(e) An organization which the commission, after review,
 130 has certified to be operating in a manner consistent with the

131 | goals of the program and in the best interests of the state.

132 | (b)~~(10)~~ The direct-support organization shall operate
 133 | under written contract with the commission. The contract must
 134 | provide for:

135 | 1.~~(a)~~ Approval of the articles of incorporation and bylaws
 136 | of the direct-support organization by the commission.

137 | 2.~~(b)~~ Submission of an annual budget for the approval of
 138 | the commission. The budget must comply with rules adopted by the
 139 | commission.

140 | 3.~~(c)~~ Certification by the commission that the direct-
 141 | support organization is complying with the terms of the contract
 142 | and in a manner consistent with the goals and purposes of the
 143 | commission and in the best interest of the state. Such
 144 | certification must be made annually and reported in the official
 145 | minutes of a meeting of the commission.

146 | 4.~~(d)~~ The reversion to the commission, or the state if the
 147 | commission ceases to exist, of moneys and property held in trust
 148 | by the direct-support organization if the direct-support
 149 | organization is no longer approved to operate for the commission
 150 | or the commission ceases to exist.

151 | 5.~~(e)~~ The fiscal year of the direct-support organization,
 152 | to begin July 1 of each year and end June 30 of the following
 153 | year.

154 | 6.~~(f)~~ The disclosure of material provisions of the
 155 | contract and the distinction between the board of directors and
 156 | the direct-support organization to donors of gifts,

157 contributions, or bequests, as well as on all promotional and
 158 fundraising publications.

159 (c)~~(11)~~ The members of the direct-support organization's
 160 board of directors must include members of the commission.

161 (d)~~(12)~~ The commission may authorize a direct-support
 162 organization to use its personal services, facilities, and
 163 property, ~~(except money), facilities, and personal services,~~
 164 subject to the provisions of this section. A direct-support
 165 organization that does not provide equal employment
 166 opportunities to all persons regardless of race, color,
 167 religion, sex, age, or national origin may not use the property,
 168 facilities, or personal services of the commission. For the
 169 purposes of this subsection, the term "personal services"
 170 includes full-time personnel and part-time personnel as well as
 171 payroll processing.

172 (e)~~(13)~~ The commission shall adopt rules prescribing the
 173 procedures by which the direct-support organization is governed
 174 and any conditions with which the direct-support organization
 175 must comply to use property, facilities, or personal services of
 176 the commission.

177 (f)~~(14)~~ Moneys of the direct-support organization may be
 178 held in a separate depository account in the name of the direct-
 179 support organization and subject to the provisions of the
 180 contract with the commission. Such moneys may include membership
 181 fees, private donations, income derived from fundraising
 182 activities, and grants applied for and received by the direct-

183 support organization.

184 ~~(g)(15)~~ The direct-support organization shall provide for
185 an annual financial audit in accordance with s. 215.981.

186 (h) This subsection is repealed effective October 1, 2018,
187 unless reviewed and saved from repeal by the Legislature.

188 Section 2. Subsection (7) is added to section 16.616,
189 Florida Statutes, to read:

190 16.616 Direct-support organization.—

191 (7) This section is repealed October 1, 2018, unless
192 reviewed and saved from repeal by the Legislature.

193 Section 3. Section 20.058, Florida Statutes, is created to
194 read:

195 20.058 Citizen support and direct-support organizations.—

196 (1) By August 1 of each year, a citizen support
197 organization or direct-support organization created or
198 authorized pursuant to law or executive order and created,
199 approved, or administered by an agency shall submit the
200 following information to the agency that the organization was
201 created to support:

202 (a) The name, mailing address, telephone number, and
203 website address of the organization.

204 (b) The statutory authority or executive order that
205 created the organization.

206 (c) A brief description of the mission of, and results
207 obtained by, the organization.

208 (d) A brief description of the organization's plans for

209 the next 3 fiscal years.

210 (e) A copy of the organization's code of ethics.

211 (f) A copy of the organization's most recent federal
 212 Internal Revenue Service Return of Organization Exempt from
 213 Income Tax form (Form 990).

214 (2) Each agency receiving information from a citizen
 215 support organization or direct-support organization pursuant to
 216 subsection (1) shall make such information available to the
 217 public through the agency's website. In addition, if the
 218 organization maintains a website, the agency's website must
 219 provide a link to that website.

220 (3) By August 30 of each year, each agency shall report to
 221 the Governor, the President of the Senate, the Speaker of the
 222 House of Representatives, and the Office of Program Policy
 223 Analysis and Government Accountability the information provided
 224 by each citizen support organization or direct-support
 225 organization. The report must also include a recommendation by
 226 the agency, with supporting rationale, to continue, terminate,
 227 or modify the agency's association with each organization.

228 (4) Each contract entered into between an agency and a
 229 citizen support organization or direct-support organization on
 230 or after July 1, 2014, shall contain provisions that require the
 231 organization to submit information in compliance with subsection
 232 (1) and require the agency to terminate the contract if the
 233 organization fails to do so for 2 consecutive years.

234 (5) A law creating, or authorizing the creation of, a

235 citizen support organization or a direct-support organization
 236 must state that the creation of or authorization for the
 237 organization is repealed on October 1 of the 5th year after
 238 enactment, unless reviewed and saved from repeal through
 239 reenactment by the Legislature. Citizen support organizations
 240 and direct-support organizations in existence on July 1, 2014,
 241 must be reviewed by the Legislature by July 1, 2019.

242 Section 4. Subsection (6) is added to section 20.2551,
 243 Florida Statutes, to read:

244 20.2551 Citizen support organizations; use of property;
 245 audit; public records; partnerships.—

246 (6) REPEAL.—This section is repealed October 1, 2019,
 247 unless reviewed and saved from repeal by the Legislature.

248 Section 5. Subsection (5) is added to section 39.0011,
 249 Florida Statutes, to read:

250 39.0011 Direct-support organization.—

251 (5) This section is repealed October 1, 2017, unless
 252 reviewed and saved from repeal by the Legislature.

253 Section 6. Subsection (8) is added to section 39.8298,
 254 Florida Statutes, to read:

255 39.8298 Guardian Ad Litem direct-support organization.—

256 (8) REPEAL.—This section is repealed October 1, 2018,
 257 unless reviewed and saved from repeal by the Legislature.

258 Section 7. Subsection (8) is added to section 250.115,
 259 Florida Statutes, to read:

260 250.115 Department of Military Affairs direct-support

261 organization.-

262 (8) REPEAL.-This section is repealed October 1, 2017,
263 unless reviewed and saved from repeal by the Legislature.

264 Section 8. Subsection (4) is added to section 257.43,
265 Florida Statutes, to read:

266 257.43 Citizen support organization; use of state
267 administrative services and property; audit.-

268 (4) REPEAL.-This section is repealed October 1, 2019,
269 unless reviewed and saved from repeal by the Legislature.

270 Section 9. Subsection (4) is added to section 258.015,
271 Florida Statutes, to read:

272 258.015 Citizen support organizations; use of property;
273 audit.-

274 (4) REPEAL.-This section is repealed October 1, 2019,
275 unless reviewed and saved from repeal by the Legislature.

276 Section 10. Subsection (4) is added to section 259.10521,
277 Florida Statutes, to read:

278 259.10521 Citizen support organization; use of property.-

279 (4) REPEAL.-This section is repealed October 1, 2019,
280 unless reviewed and saved from repeal by the Legislature.

281 Section 11. Subsection (4) is added to section 265.703,
282 Florida Statutes, to read:

283 265.703 Citizen support organizations; use of state
284 administrative services and property; audit.-

285 (4) REPEAL.-This section is repealed October 1, 2019,
286 unless reviewed and saved from repeal by the Legislature.

287 Section 12. Subsection (4) is added to section 267.17,
 288 Florida Statutes, to read:

289 267.17 Citizen support organizations; use of state
 290 administrative services and property; audit.—

291 (4) REPEAL.—This section is repealed October 1, 2019,
 292 unless reviewed and saved from repeal by the Legislature.

293 Section 13. Subsections (7) and (8) of section 288.1226,
 294 Florida Statutes, are amended, and a new subsection (9) is added
 295 to that section, to read:

296 288.1226 Florida Tourism Industry Marketing Corporation;
 297 use of property; board of directors; duties; audit.—

298 (7) REPORT.—The corporation shall provide a quarterly
 299 report to Enterprise Florida, Inc., which shall:

300 (a) Measure the current vitality of the visitor industry
 301 of this state as compared to the vitality of such industry for
 302 the year to date and for comparable quarters of past years.
 303 Indicators of vitality shall be determined by Enterprise
 304 Florida, Inc., and shall include, but not be limited to,
 305 estimated visitor count and party size, length of stay, average
 306 expenditure per party, and visitor origin and destination.

307 (b) Provide detailed, unaudited financial statements of
 308 sources and uses of public and private funds.

309 (c) Measure progress towards annual goals and objectives
 310 set forth in the 4-year marketing plan.

311 (d) Review all pertinent research findings.

312 (e) Provide other measures of accountability as requested

313 by Enterprise Florida, Inc.

314 (8) PUBLIC RECORDS EXEMPTION.—The identity of any person
 315 who responds to a marketing project or advertising research
 316 project conducted by the corporation in the performance of its
 317 duties on behalf of Enterprise Florida, Inc., or trade secrets
 318 as defined by s. 812.081 obtained pursuant to such activities,
 319 are exempt from s. 119.07(1) and s. 24(a), Art. I of the State
 320 Constitution.

321 (9) REPEAL.—This section is repealed October 1, 2019,
 322 unless reviewed and saved from repeal by the Legislature.

323 Section 14. Subsection (5) is added to section 288.809,
 324 Florida Statutes, to read:

325 288.809 Florida Intergovernmental Relations Foundation;
 326 use of property; board of directors; audit.—

327 (5) REPEAL.—This section is repealed October 1, 2019,
 328 unless reviewed and saved from repeal by the Legislature.

329 Section 15. Subsection (6) is added to section 288.923,
 330 Florida Statutes, to read:

331 288.923 Division of Tourism Marketing; definitions;
 332 responsibilities.—

333 (6) This section is repealed October 1, 2019, unless
 334 reviewed and saved from repeal by the Legislature.

335 Section 16. Subsection (10) is added to section 292.055,
 336 Florida Statutes, to read:

337 292.055 Direct-support organization.—

338 (10) REPEAL.—This section is repealed October 1, 2017,

339 | unless reviewed and saved from repeal by the Legislature.

340 | Section 17. Subsection (4) is added to section 379.223,
341 | Florida Statutes, to read:

342 | 379.223 Citizen support organizations; use of state
343 | property; audit.—

344 | (4) This section is repealed October 1, 2019, unless
345 | reviewed and saved from repeal by the Legislature.

346 | Section 18. Subsection (7) is added to section 413.0111,
347 | Florida Statutes, to read:

348 | 413.0111 Blind services direct-support organization.—

349 | (7) This section is repealed October 1, 2017, unless
350 | reviewed and saved from repeal by the Legislature.

351 | Section 19. Subsection (14) is added to section 413.615,
352 | Florida Statutes, to read:

353 | 413.615 Florida Endowment for Vocational Rehabilitation.—

354 | (14) REPEAL.—This section is repealed October 1, 2017,
355 | unless reviewed and saved from repeal by the Legislature.

356 | Section 20. Subsection (9) is added to section 430.82,
357 | Florida Statutes, to read:

358 | 430.82 Direct-support organization.—

359 | (9) This section is repealed October 1, 2017, unless
360 | reviewed and saved from repeal by the Legislature.

361 | Section 21. Subsection (10) is added to section 570.903,
362 | Florida Statutes, to read:

363 | 570.903 Direct-support organization.—

364 | (10) This section is repealed October 1, 2019, unless

365 reviewed and saved from repeal by the Legislature.

366 Section 22. Subsection (14) is added to section 570.9135,
367 Florida Statutes, to read:

368 570.9135 Beef Market Development Act; definitions; Florida
369 Beef Council, Inc., creation, purposes, governing board, powers,
370 and duties; referendum on assessments imposed on gross receipts
371 from cattle sales; payments to organizations for services;
372 collecting and refunding assessments; vote on continuing the
373 act; council bylaws.-

374 (14) REPEAL.-This section is repealed October 1, 2019,
375 unless reviewed and saved from repeal by the Legislature.

376 Section 23. Subsection (9) is added to section 626.9895,
377 Florida Statutes, to read:

378 626.9895 Motor vehicle insurance fraud direct-support
379 organization.-

380 (9) REPEAL.-This section is repealed October 1, 2019,
381 unless reviewed and saved from repeal by the Legislature.

382 Section 24. Subsection (8) is added to section 683.231,
383 Florida Statutes, to read:

384 683.231 Citizen support organization for Florida Missing
385 Children's Day.-

386 (8) This section is repealed October 1, 2018, unless
387 reviewed and saved from repeal by the Legislature.

388 Section 25. Subsection (9) is added to section 744.7082,
389 Florida Statutes, to read:

390 744.7082 Direct-support organization; definition; use of

391 | property; board of directors; audit; dissolution.—

392 | (9) REPEAL.—This section is repealed October 1, 2018,
 393 | unless reviewed and saved from repeal by the Legislature.

394 | Section 26. Paragraph (k) is added to subsection (11) of
 395 | section 893.055, Florida Statutes, to read:

396 | 893.055 Prescription drug monitoring program.—

397 | (11) The department may establish a direct-support
 398 | organization that has a board consisting of at least five
 399 | members to provide assistance, funding, and promotional support
 400 | for the activities authorized for the prescription drug
 401 | monitoring program.

402 | (k) This subsection is repealed October 1, 2017, unless
 403 | reviewed and saved from repeal by the Legislature.

404 | Section 27. Subsection (4) is added to section 944.802,
 405 | Florida Statutes, to read:

406 | 944.802 Direct-support organization; definition; use of
 407 | property; board of directors; audit.—

408 | (4) REPEAL.—This section is repealed October 1, 2018,
 409 | unless reviewed and saved from repeal by the Legislature.

410 | Section 28. Subsection (6) is added to section 960.002,
 411 | Florida Statutes, to read:

412 | 960.002 Direct-support organization to assist victims of
 413 | adult and juvenile crime.—

414 | (6) This section is repealed October 1, 2018, unless
 415 | reviewed and saved from repeal by the Legislature.

416 | Section 29. Subsections (5) and (6) of section 985.672,

417 Florida Statutes, are amended, and a new subsection (7) is added
 418 to that section, to read:

419 985.672 Direct-support organization; definition; use of
 420 property; board of directors; audit.—

421 (5) DEPOSIT OF FUNDS.—Any moneys may be held in a separate
 422 depository account in the name of the direct-support
 423 organization and subject to the provisions of the contract with
 424 the department.

425 (6) AUDIT.—The direct-support organization shall provide
 426 for an annual financial audit in accordance with s. 215.981.

427 (7) REPEAL.—This section is repealed October 1, 2018,
 428 unless reviewed and saved from repeal by the Legislature.

429 Section 30. Subsection (9) is added to section 1009.983,
 430 Florida Statutes, to read:

431 1009.983 Direct-support organization; authority.—

432 (9) This section is repealed October 1, 2017, unless
 433 reviewed and saved from repeal by the Legislature.

434 Section 31. This act shall take effect upon becoming a
 435 law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB SAC 14-06 Public Retirement Plans
SPONSOR(S): State Affairs Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: State Affairs Committee		Harrington	Camechis

SUMMARY ANALYSIS

The bill combines HB 7173, relating to the Florida Retirement System, and HB 7179, relating to local government pension reform.

Florida Retirement System

This bill makes the following changes to the Florida Retirement System (FRS), effective July 1, 2015:

- Increases the vesting period for members enrolled in the pension plan from eight years to 10 years;
- Increases the regular disability vesting period for all new enrollees from eight years to 10 years;
- Prohibits members initially enrolled in a position covered by the Elected Officers' Class or Senior Management Service Class from participating in the pension plan and requires participation in the investment plan;
- Changes the default from the pension plan to the investment plan for members who do not affirmatively choose a plan;
- Extends the time period for member's to make a plan selection from the last day of the fifth month after the month of hire to the last day of the eighth month after the month of hire;
- Closes the Senior Management Service Optional Annuity Program to new participants; and
- Prohibits elected officials from joining the Senior Management Service Class in lieu of the Elected Officers' Class.

Benefits of current FRS members and retirees are not affected by changes in this bill.

Based on the results of special actuarial studies performed by the Milliman actuarial and consulting firm in 2013, the bill will have no fiscal impact for fiscal year 2014-15. It has a projected positive fiscal impact in fiscal year 2015-16 of \$500,000 and a projected negative fiscal impact of \$900,000 for all participating entities in fiscal year 2016-17. In fiscal year 2017-18, the bill is projected to have a positive fiscal impact with savings continuing to increase each subsequent year over the period covered by the study for a projected cumulative savings of \$28.6 billion.

Municipal Firefighter and Police Officer Pension Plans

The bill substantially changes how insurance premium tax revenues must be used in the funding of firefighter and police officer pension benefits under chapters 175 and 185, F.S., and requires plans to create a defined contribution component of the plan. The bill amends parallel provisions in chapters 175 and 185, F.S., and specifies a formula for the use of these funds.

The bill increases the minimum benefit accrual rates for the pension plan component and specifies certain exceptions to the increase. It permits a reduction in plan benefits that are provided over the minimum benefit levels.

The bill provides that notwithstanding the premium tax distribution requirements, a plan may deviate from the provisions by mutual consent of the members' collective bargaining representative or, if none, by majority consent of the firefighter or police officer members of the fund, and by consent of the municipality or special fire control district.

The bill grandfathers in changes to a plan that are based on that particular plan's reliance on a Department of Management Services interpretation of the existing statute.

The bill amends the definition of "compensation" or "salary" for police officer noncollectively bargained service earned before July 1, 2011, or earned under collective bargaining agreements in place before July 1, 2011.

The bill may have an indeterminate negative fiscal impact on state premium tax revenues and an indeterminate fiscal impact on local governments offering pension plans under chapter 175 or 185, F.S.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: pcb06.SAC.DOCX

DATE: 4/18/2014

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

PUBLIC PENSION PLANS, GENERALLY

State Constitution Requirements

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 (act) was adopted by the Legislature to implement the provisions of s. 14, Art. X of the State Constitution. The act establishes minimum standards for operating and funding public employee retirement systems and plans. It is applicable to all units of state, county, special district, and municipal governments participating in, operating, or administering a retirement system for public employees, which is funded in whole or in part by public funds.¹ Responsibility for administration of the act has been assigned primarily to the Division of Retirement (division), Department of Management Services (DMS).

FLORIDA RETIREMENT SYSTEM

Background

The Florida Retirement System (FRS) was established in 1970 when the Legislature consolidated the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund. In 1972, the Judicial Retirement System was consolidated into the FRS, and in 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.²

The FRS is governed by the Florida Retirement System Act.³ The FRS, which is a multiple-employer, contributory plan,⁴ provides retirement income benefits to 621,774 active members,⁵ 347,962 retired members and beneficiaries, and 38,724 members of the Deferred Retirement Option Program (DROP).⁶ It is the primary retirement plan for employees of state and county government agencies, district school boards, community colleges, and universities. The FRS also serves as the retirement plan for participating employees of the 186 cities and 267 independent hospitals and special districts that have elected to join the system.⁷

The membership of the FRS is divided into five membership classes:⁸

- Regular Class⁹ consists of 536,506 members (86.3 percent of the membership);

¹ Section 112.62, F.S.

² *The Florida Retirement System Annual Report*, July 1, 2012 – June 30, 2013, at 18. A copy of the report can be found online at: http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports (last visited March 21, 2014).

³ Chapter 121, F.S.

⁴ Prior to 1975, members of the FRS were required to make employee contributions of either 4 percent for Regular Class employees or 6 percent for Special Risk Class members. Employees were again required to contribute to the system after June 30, 2011.

⁵ As of June 30, 2013, the FRS defined benefit plan, also known as the pension plan, had 514,436 members, and the defined contribution plan, also known as the investment plan, had 107,338 members. *Supra* at FN 1.

⁶ *Id.* at 10.

⁷ Florida Retirement System Participating Employers for Plan Year 2013-14, prepared by the Department of Management Services, Division of Retirement, Revised January 2014, at 8. A copy of the document can be found online at:

http://www.dms.myflorida.com/workforce_operations/retirement/publications (last visited March 21, 2014).

⁸ *Supra* at FN 2.

⁹ The Regular Class is for all members who are not assigned to another class. Section 121.021(12), F.S.

- Special Risk Class¹⁰ includes 68,800 members (11.1 percent);
- Special Risk Administrative Support Class¹¹ has 58 members (.009 percent);
- Elected Officers' Class¹² has 2,094 members (0.35 percent); and
- Senior Management Service Class¹³ has 7,450 members (1.2 percent).

Each class is funded separately based upon the costs attributable to the members of that class.

Members of the FRS have two primary plan options available for participation:

- The defined benefit plan, also known as the pension plan; and
- The defined contribution plan, also known as the investment plan.

Certain members, as specified by law and position title, may, in lieu of FRS participation, participate in optional retirement plans.

FRS Investment Plan

In 2000, the Legislature created the Public Employee Optional Retirement Program (investment plan), a defined contribution plan offered to eligible employees as an alternative to the FRS Pension Plan. The earliest that any member could participate in the investment plan was July 1, 2002.

Benefits under the investment plan accrue in individual member accounts funded by both employee and employer contributions and earnings. Benefits are provided through employee-directed investments offered by approved investment providers.

A member vests immediately in all employee contributions paid to the investment plan.¹⁴ With respect to the employer contributions, a member vests after completing one work year with an FRS employer.¹⁵ Vested benefits are payable upon termination or death as a lump-sum distribution, direct rollover distribution, or periodic distribution.¹⁶

The State Board of Administration (SBA) is primarily responsible for administering the investment plan.¹⁷ The SBA is comprised of the Governor as chair, the Chief Financial Officer, and the Attorney General.¹⁸

FRS Pension Plan

The pension plan is a defined benefit plan that is administered by the secretary of DMS through the division.¹⁹ Investment management is handled by the SBA.

¹⁰ The Special Risk Class is for members employed as law enforcement officers, firefighters, correctional officers, probation officers, paramedics and emergency technicians, among others. Section 121.0515, F.S.

¹¹ The Special Risk Administrative Support Class is for a special risk member who moved or was reassigned to a nonspecial risk law enforcement, firefighting, correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position under the Florida Retirement System. Section 121.0515(8), F.S.

¹² The Elected Officers' Class is for elected state and county officers, and for those elected municipal or special district officers whose governing body has chosen Elected Officers' Class participation for its elected officers. Section 121.052, F.S.

¹³ The Senior Management Service Class is for members who fill senior management level positions assigned by law to the Senior Management Service Class or authorized by law as eligible for Senior Management Service designation. Section 121.055, F.S.

¹⁴ Section 121.4501(6)(a), F.S.

¹⁵ If a member terminates employment before vesting in the investment plan, the nonvested money is transferred from the member's account to the SBA for deposit and investment by the SBA in its suspense account for up to five years. If the member is not reemployed as an eligible employee within five years, then any nonvested accumulations transferred from a member's account to the SBA's suspense account are forfeited. Section 121.4501(6)(b) – (d), F.S.

¹⁶ Section 121.591, F.S.

¹⁷ Section 121.4501(8), F.S.

¹⁸ Section 4, Art. IV, Fla. Const.

¹⁹ Section 121.025, F.S.

Any member initially enrolled in the pension plan before July 1, 2011, vests in the pension plan after completing six years of service with an FRS employer.²⁰ For members initially enrolled on or after July 1, 2011, the member vests in the pension plan after eight years of creditable service.²¹ A member vests immediately in all employee contributions paid to the pension plan.

Benefits payable under the pension plan are calculated based on years of service x accrual rate x average final compensation.²² The accrual rate varies by class as follows:

Membership Class	Accrual Rate
Regular Class	1.60%
Special Risk Class	3.00%
Special Risk Administrative Support Class	1.60%
Elected Officer's Class	
• Justices and Judges	3.33%
• Others	3.00%
Senior Management Service Class	2.00%

For most members of the pension plan, normal retirement occurs at the earliest attainment of 30 years of service or age 62.²³ For members in the Special Risk and Special Risk Administrative Support Classes, normal retirement is the earliest of 25 years of service or age 55.²⁴ Members initially enrolled in the pension plan on or after July 1, 2011, must complete 33 years of service or attain age 65, and members in the Special Risk and Special Risk Administrative Support Classes must complete 30 years of service or attain age 60.²⁵

Default and Second Election

A new enrollee has until the last business day of the fifth month following the employee's month of hire to make a plan selection. If the member fails to make a selection, the member defaults to participation in the pension plan.²⁶

After the initial election or default election to participate in either the pension plan or investment plan, a member has one opportunity, at the member's discretion and prior to termination or retirement, to choose to move from the pension plan to the investment plan or from the investment plan to the pension plan.²⁷

Disability and Death Benefits

Disability retirement benefits are provided for both in-line-of-duty and regular disability. Pension plan disability retirement benefits, which apply for investment plan members who qualify for disability,²⁸ compensate an in-line-of-duty disabled member up to 65 percent of the average monthly compensation as of the disability retirement date for Special Risk Class members. Other members may receive up to 42 percent of the member's average monthly compensation for disability retirement benefits. If a disability occurs other than in the line of duty, the monthly benefit may not be less than 25 percent of the average monthly compensation as of the disability retirement date. An FRS member who qualifies for disability while enrolled in the investment plan may apply for benefits as if the employee were a

²⁰ Section 121.021(45)(a), F.S.

²¹ Section 121.021(45)(b), F.S.

²² Section 121.091, F.S.

²³ Section 121.021(29)(a)1., F.S.

²⁴ Section 121.021(29)(b)1., F.S.

²⁵ Sections 121.021(29)(a)2. and (b)2., F.S.

²⁶ Section 121.4501(4), F.S.

²⁷ Section 121.4501(4)(g), F.S.

²⁸ See s. 121.4501(16), F.S.

member of the pension plan. If approved for retirement disability benefits, the member is transferred to the pension plan.²⁹

If the member is terminated by reason of death prior to becoming vested in the FRS, the member's beneficiary is only entitled to the member's accumulated contributions.³⁰ Under the pension plan, if the member has vested at the time of his or her death, the member's joint annuitant³¹ is entitled to receive the optional form³² of payment for the annuitant's lifetime.³³ If the designated beneficiary does not qualify as a joint annuitant, the member's beneficiary is only entitled to the return of the member's personal contributions, if any.³⁴ If the member dies in the line of duty, the surviving spouse of the member is entitled to receive a monthly benefit equal to one-half of the monthly salary being received by the member at the time of death for the rest of the surviving spouse's lifetime.³⁵ Members in the investment plan are not entitled to these death benefits; instead, the member's beneficiary is entitled to the balance of the member's investment plan account, provided the member has met the one-year vesting requirement.³⁶

DROP

All membership classes in the FRS Pension Plan may participate in DROP, which allows a member to retire without terminating employment; a member who enters DROP may extend employment for an additional five years.³⁷ While in DROP, the member's retirement benefits accumulate and earn interest compounded monthly.³⁸

Members in the FRS Investment Plan may not participate in DROP; investment plan members are considered retired from the FRS when the member takes a distribution from his or her account.³⁹

Health Insurance Subsidy

Upon the conclusion of DROP, or upon service retirement or disability retirement, a retiree is eligible to receive the Health Insurance Subsidy (HIS), which assists retired members in paying for the costs of health insurance.⁴⁰ Eligible retirees receive \$5 per month for each year of creditable service used to calculate the retirement benefit. The HIS payment must be at least \$30, but not more than \$150 per month.⁴¹

²⁹ Section 121.091(4)(f), F.S.

³⁰ For purposes of disbursement of benefits, a member is considered retired as of the date of the death.

³¹ A joint annuitant is considered to be the member's spouse, natural or legally adopted child who is either under age 25 or is physically or mentally disabled and incapable of self-support (regardless of age), or any person who is financially dependent upon the member for one-half or more of his or her support and is the member's parent, grandparent, or person for whom the member is the legal guardian. Section 121.021(28), F.S.

³² Under the pension plan, a member has a choice of payment options. If the member dies prior to retirement, the member's joint annuitant is entitled to select either to receive the member's contributions or a reduced monthly benefit payment for life.

³³ Section 121.091(7)(b)1., F.S.

³⁴ Section 121.091(7)(b)2., F.S.

³⁵ Section 121.091(7)(d)1., F.S. If the surviving spouse dies, or if the member is not married, the monthly payment that would have otherwise gone to the surviving spouse must be paid for the use and benefit of the member's child or children that are under 18 years of age and unmarried until the 18th birthday of the member's youngest child. Section 121.091(7)(d)2. and 3., F.S.

³⁶ See s. 121.591(3)(b), F.S.

³⁷ Section 121.091(13)(a) and (b), F.S. Instructional personnel may extend employment for an additional eight years under certain circumstances.

³⁸ If DROP participation began prior to July 1, 2011, the effective annual interest rate was 6.5 percent. On or after July 1, 2011, the annual interest rate for DROP was reduced to 1.3 percent.

³⁹ See s. 121.4501(2)(k) and (4)(f), F.S.

⁴⁰ Sections 112.363(1) and (2), F.S.

⁴¹ Section 112.363(3)(e), F.S.

Optional Retirement Programs

Eligible employees may choose to participate in one of three retirement programs instead of participating in the FRS:

- Members of the Senior Management Service Class may elect to enroll in the Senior Management Service Optional Annuity Program;⁴²
- Members in specified positions in the State University System may elect to enroll in the State University System Optional Retirement Program;⁴³ and
- Members of a Florida college may elect to enroll in the State Community College System Optional Retirement Program.⁴⁴

Contribution Rates

FRS employers are responsible for contributing a set percentage of the member's monthly compensation to the division to be distributed into the FRS Contributions Clearing Trust Fund. The employer contribution rate is a blended contribution rate set by statute, which is the same percentage regardless of whether the member participates in the pension plan or the investment plan.⁴⁵ The rate is determined annually based on an actuarial study by DMS that calculates the necessary level of funding to support all of the benefit obligations under both FRS retirement plans.

The following are the current employer contribution rates for each class:⁴⁶

Membership Class	Effective July 1, 2013
Regular Class	3.53%
Special Risk Class	11.00%
Special Risk Administrative Support Class	4.17%
Elected Officer's Support Class	
• Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	6.52%
• Justices and Judges	10.05%
• County Officers	8.44%
Senior Management Service Class	4.81%

Regardless of employee class, all employees contribute 3 percent of their compensation towards retirement.⁴⁷

After employer and employee contributions are placed into the FRS Contributions Clearing Trust Fund, the allocations under the investment plan are transferred to third-party administrators to be placed in the employee's individual investment accounts, whereas contributions under the pension plan are transferred into the FRS Trust Fund.⁴⁸

⁴² The Senior Management Service Optional Annuity Program (SMSOAP) was established in 1986 for members of the Senior Management Service Class. Employees in eligible positions may irrevocably elect to participate in the SMSOAP rather than the FRS. Section 121.055(6), F.S.

⁴³ Eligible participants of the State University System Optional Retirement Program (SUSORP) are automatically enrolled in the SUSORP. However, the member must execute a contract with a SUSORP provider within the first 90 days of employment or the employee will default into the pension plan. If the employee decides to remain in the SUSORP, the decision is irrevocable and the member must remain in the SUSORP as long as the member remains in a SUSORP-eligible position. Section 121.35, F.S.

⁴⁴ If the member is eligible for participation in a State Community College System Optional Retirement Program, the member must elect to participate in the program within 90 days of employment. Unlike the other optional programs, an employee who elects to participate in this optional retirement program has one opportunity to transfer to the FRS. Section 1012.875, F.S.

⁴⁵ Section 121.70(1), F.S.

⁴⁶ Section 121.71(4), F.S.

⁴⁷ Section 121.71(3), F.S.

⁴⁸ See ss. 121.4503 and 121.72(1), F.S.

Effect of the Bill on the FRS

The bill makes changes to the FRS; however, benefits of current members and retirees are not affected by changes in this bill. In addition, employees initially enrolled in the FRS before July 1, 2015, will not have their retirement choices affected.

Effective July 1, 2015, the bill makes the following changes to the FRS:

- Increases the vesting period for members newly enrolled in the pension plan from eight years to 10 years;
- Increases the regular disability vesting period for all new enrollees from eight years to 10 years;
- Prohibits members initially enrolled in a position covered by the Elected Officers' Class or Senior Management Service Class from participating in the pension plan and requires participation in the investment plan;
- Changes the default from the pension plan to the investment plan for members who do not affirmatively choose a plan;
- Extends the time period for member's to make a plan selection from the last day of the fifth month after the month of hire to the last day of the eighth month after the month of hire;
- Closes the Senior Management Service Optional Annuity Program to new participants; and
- Prohibits elected officials from joining the Senior Management Service Class in lieu of participation in the Elected Officers' Class.

Elected Officers' Class and Senior Management Service Class

The bill provides that members initially enrolled in the FRS on or after July 1, 2015, in a position covered by the Elected Officers' Class or Senior Management Service Class may not participate in the pension plan. Instead of having a choice between two plans, such members must participate in the investment plan and may not utilize a second election option to become a member of the pension plan. Investment plan membership continues even if subsequent employment results in the member becoming covered by another membership class.

For a member initially enrolled in the FRS on or after July 1, 2015, in a position covered by another class, the member may choose to participate in the pension plan or the investment plan. If the member chooses to participate in the pension plan and subsequently participates in a position covered by the Elected Officers' Class or Senior Management Service Class, the member may continue to participate in the pension plan. Therefore, the prohibition against participation in the pension plan only affects members initially enrolling in the FRS on or after July 1, 2015, in positions covered by the Elected Officers' Class or Senior Management Service Class.

Default

Members initially enrolled on or after July 1, 2015, have until the last day of the eighth month after the month of hire to choose between participation in the investment plan or pension plan, except that members of the Elected Officers' Class and Senior Management Service Class may not participate in the pension plan. If the member does not make a selection, the member will default to the investment plan.

Vesting

For members initially enrolled in the FRS Pension Plan on or after July 1, 2015, the bill extends the vesting period from eight years to 10 years of creditable service. The vesting period for members of the investment plan remains at one year of creditable service.

The bill also extends the disability vesting period for non-duty disability from eight years to 10 years for all members initially enrolled in the FRS on or after July 1, 2015.

Optional Retirement Programs

The bill closes the Senior Management Service Optional Annuity Program to new members on July 1, 2015. Any member may elect to participate in the annuity program before July 1, 2015, and members

currently enrolled in the annuity program may continue to participate in that program. However, no new members may join the program on or after July 1, 2015.

Elected Officials

The bill prohibits elected officials from joining the Senior Management Service Class in lieu of participating in the Elected Officers' Class. Because the Senior Management Service Optional Annuity Program will not be offered on or after July 1, 2015, elected officers will no longer be able to switch service classes for the purpose of participating in the optional annuity program. Instead, elected officials can participate in the FRS or withdraw from the system.⁴⁹

CHAPTERS 175 AND 185, F.S., MUNICIPAL FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLANS

Background

Municipal Firefighters' Pension Trust Fund and Police Officers' Pension Trust Fund

Chapters 175 and 185, F.S., declare a legitimate state purpose to provide a uniform retirement system for the benefit of firefighters and municipal police officers. All municipal and special district firefighters and all municipal police officers retirement trust fund systems or plans must be managed, administered, operated, and funded to maximize the protection of firefighters' and police officers' pension trust funds.⁵⁰

Local firefighter pension plans are governed by chapter 175, F.S., which is known as the Marvin B. Clayton Firefighters Pension Trust Fund Act. 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 cities. Fourteen years later, the Legislature enacted chapter 185, F.S., the Marvin B. Clayton Police Officers' Pension Trust Fund Act, which provides a similar funding mechanism for municipal police officers. Special fire control districts became eligible to participate under chapter 175, F.S., in 1993.

The acts set forth the minimum benefits or minimum standards for pensions for municipal firefighters and police officers. The benefits provided in the acts may not be reduced by municipalities; however, the benefits provided in a local law plan may vary from the provisions in that act so long as the minimum standards are met.

Funding for these pension plans primarily 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 to fund the normal cost and any actuarial deficiency of the plan.

The Firefighters' Pension Trust Fund is funded through an excise tax of 1.85 percent imposed on the gross premiums of property insurance covering property within boundaries of the municipality or special fire control district.⁵¹ It is payable by the insurers to the Department of Revenue (DOR), and the net proceeds are transferred to the appropriate fund at the division. In 2012, premium tax distributions to municipalities and special fire control districts from the Firefighters' Pension Trust Fund amounted to \$72.4 million.⁵²

⁴⁹ Members of the Elected Officers' Class may withdraw from the FRS. Section 121.052(3), F.S.

⁵⁰ See ss. 175.021(1) and 185.01(1), F.S.

⁵¹ Section 175.101, F.S.

⁵² A copy of the 2012 Premium Tax Distribution report is available online at:

http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/municipal_police_and_fire_plans (last visited April 7, 2014).

The Police Officers' Pension Trust Fund is funded through an excise tax of 0.85 percent imposed on the gross premiums on casualty insurance policies covering property within the boundaries of the municipality.⁵³ Similar to the Firefighters' Pension Trust Fund, the excise tax is payable to the DOR, and the net proceeds are transferred to the appropriate fund at the division. In 2012, premium tax distributions to municipalities from the Police Officers' Pension Trust Fund amounted to \$62.6 million.⁵⁴

To qualify for insurance premium tax dollars, plans must meet requirements found in chapters 175 and 185, F.S. Responsibility for overseeing and monitoring these plans is assigned to the division; however, the day-to-day operational control rests with the local boards of trustees. The board of trustees must invest and reinvest the assets of the fund according to s. 175.071, F.S., or s. 185.06, F.S., as applicable, unless specifically authorized to vary from the law.

If the division deems that a firefighter or police officer pension plan created pursuant to these chapters is not in compliance with the chapters, the sponsoring municipality could be denied its insurance premium tax revenues.

Minimum Benefit Levels

Chapters 175 and 185, F.S., specify certain "minimum benefits" that must be provided by firefighter and police officer pension plans⁵⁵ as follows:

Description of Minimum Benefit Levels	
Benefit Calculation	2 percent accrual rate x average final compensation x years of creditable service
Average Final Compensation (AFC)	Highest 5 years of last 10 years of service
Vesting	10 years
Normal Retirement Age	Age 55 with 10 years of creditable service or age 52 with 25 years of service
Early Retirement	Age 50 with 10 years of service. The benefit reduction may not exceed 3 percent for each year prior to the member's normal retirement age.
Death Benefits	If vested, the member's beneficiary receives the member's retirement benefit based on early or normal retirement benefits, whichever is applicable. If pre-retirement death, the beneficiary receives the benefit for 10 years. If the member has already retired and has received a retirement benefit for less than 10 years, the beneficiary receives the member's benefit based on the benefit option selected by the member for the remainder of the 10 years.
Disability Benefits	Plans must provide in-line-of-duty disability benefits immediately and require 10 years of service for non-duty disability benefits. Disability benefits must not be less than 25 percent of the average monthly earnings if non-duty disability and not less than 42 percent of average monthly compensation for in-line-of-duty disability.

Premium Tax Revenue Restrictions

In 1999, the Legislature passed legislation that made virtually all provisions of chapters 175 and 185, F.S., expressly applicable to all participating firefighter and police officer pension plans, except the local law plans established by the cities of Jacksonville, Coral Gables, Miami, and Miami Beach.⁵⁶ All pension plans falling under these chapters are required to meet specific "minimum benefit" standards. The law requires insurance premium tax revenues over the amount received for calendar year 1997 to be used to provide additional or "extra benefits" in firefighter and police officer pension plans. The term

⁵³ Section 185.08, F.S.

⁵⁴ *Supra* at FN 52.

⁵⁵ Sections 175.162, 175.191, 185.16, and 185.18, F.S.

⁵⁶ *See* chapter 99-1, L.O.F., and ss. 175.351 and 185.35, F.S. The law excludes plans created by special act before May 27, 1939, which include the cities of Jacksonville, Coral Gables, Miami, and Miami Beach.

“extra benefits” means benefits in addition to or greater than those provided to general employees of the municipality, and in addition to those in existence for firefighters and police officers on March 12, 1999.⁵⁷

Until August 2012, DMS had consistently interpreted the law to require that premium tax revenues be used first to meet any minimum benefit requirements and those other pension benefits that were in place on March 12, 1999. Once the plan was in compliance with the minimum benefits requirements, any additional premium tax revenues had to be used to fund extra benefits. Plans were not permitted to reduce pension benefits below the minimum benefits level or the level of pension benefits in effect on March 12, 1999, if greater.

In August 2012, DMS responded to a letter from the City of Naples, Florida, advising that its ongoing interpretation of s. 185.35(2), F.S., “appears inaccurate.”⁵⁸ DMS was asked whether a city could negotiate with its police officers to reduce benefits below the level of benefits provided on March 12, 1999, and whether that reduction would jeopardize its premium tax revenues. In response, DMS advised that for local law plans in effect on October 1, 1998, the law compels the plan to provide chapter minimum benefits only to the extent that those benefits can be funded with additional premium tax revenues. Thus, DMS’ new interpretation requires plans in effect on October 1, 1998, to provide minimum chapter benefits *only* to the extent the benefits can be funded with premium tax revenues received in excess of the amount received for calendar year 1997. If additional premium tax revenues are available after providing the chapter minimum benefits, additional premium tax revenues must be used to fund extra benefits.

Utilizing this new interpretation, it appears that the following may occur:

- The plan’s pension benefits could be reduced to a level that can be funded solely by those additional premium tax revenues received in excess of the 1997 level;
- A plan sponsor may redirect, at its discretion, its pre-1997 premium tax revenues from funding minimum pension benefits to funding other non-pension retirement benefits;
- A plan sponsor could reduce its mandatory contribution it was previously making to the plan to fund minimum benefits and redirect those monies to other municipal purposes; and
- Post-1997 insurance premium tax revenues used previously to fund extra benefits would be used to fund the minimum benefits.

Municipal Police Officer Pension Plans: Definition of “Compensation” or “Salary”

In 2011, the Legislature imposed a 300 hour cap on the amount of overtime hours to be included in the calculation of retirement benefits in ss. 112.66, 175.032, and 185.02, F.S.⁵⁹ Section 112.66, F.S., provides that “a local government may include up to 300 hours per year of overtime compensation” when calculating retirement benefits. Likewise, ss. 175.032(3) and 185.02(4), F.S., provide that “up to 300 hours per year in overtime compensation may be included” for purposes of calculating firefighter and police officer retirement benefits. However, s. 185.02(4), F.S., also provides that overtime for police officers, for purposes of calculating retirement benefits, may not be less than 300 hours per officer per calendar year for service earned under collective bargaining agreements in place before July 1, 2011.

Effect of the Bill on Municipal Firefighter and Police Officer Pension Plans

Definitions

The bill creates new definitions in both chapters 175 and 185, F.S., which include:

- “Additional premium tax revenues” means revenues received by a municipality (or special fire control district), which exceed base premium tax revenues.
- “Base premium tax revenues” means the revenues received by a municipality (or special fire control district) equal to the amount of such revenues received in calendar year 1997.

⁵⁷ See ss. 175.351(2)(b) and 185.35(2)(b), F.S.

⁵⁸ A copy of the letter is on file with the State Affairs Committee.

⁵⁹ Chapter 2011-216, L.O.F.

- “Defined contribution plan” means the component of a local law plan to which deposits are made to provide benefits for firefighters or police officers, as applicable. Such component is an element of a local law plan and exists in conjunction with the defined benefit component that meets the base benefits and minimum standards of the chapter. Benefits provided by a defined contribution plan must be provided through individual member accounts and are limited to the contributions made into each member’s account and the actual accumulated earnings, net of expenses, earned on the member’s account.
- “Minimum benefits” means the benefits set forth in the applicable chapter.
- “Minimum standards” means the standards set forth in the applicable chapter.
- “Special benefits” means benefits provided in a defined contribution plan for firefighters or police officers, as applicable.
- “Special act plan” means a plan subject to the provisions of the applicable chapter that was created by and continues to require an act of the legislature to alter plan benefits.

The bill revises the definition of “supplemental plan” to provide that any supplemental plan in existence on March 1, 2014, must be deemed a defined contribution plan in compliance with the chapter. The bill also revises the definition of “local law plan” to provide that it includes both a defined benefit plan component and a defined contribution plan component.

Defined Contribution Plan Component

The bill requires plan sponsors to create a defined contribution component within their plans to fund special benefits:

- By October 1, 2014, for non-collectively bargained service;
- Upon entering into a collective bargaining agreement on or after July 1, 2014; or
- Upon the creation date of a new participating plan.

Minimum Benefit Accrual Rate

The bill increases the minimum service accrual rate from 2 percent to 2.75 percent. It also provides options for plans to deviate from this new plan minimum:

- A plan in compliance with the chapter, except for the 2.75 percent minimum, must maintain, at a minimum, the percentage in effect on July 1, 2014; such a plan is not required to increase the benefit to 2.75 percent.
- A plan that is in compliance with the chapter, except that the benefit is less than 2.75 percent, but the plan chooses to increase its accrual rate to 2.75 percent, or greater, may not thereafter decrease the rate to less than 2.75 percent.

The bill deletes the provision that based the availability of additional benefits upon state funding.

Use of Insurance Premium Tax Revenues

The bill substantially changes how insurance premium tax revenues must be used in the funding of firefighter and police officer pension benefits under chapters 175 and 185, F.S. The bill amends parallel provisions in chapters 175 and 185, F.S., and specifies:

- Premium tax revenues equal to the amount received in 1997 (base premium tax revenues) must be used to fund the minimum benefits provided for in chapter 175 or 185, F.S.
- Premium tax revenues in excess of the amount received in calendar year 2013 must be used as follows:
 - Fifty percent must be used to fund the minimum chapter benefits or other benefits in excess of the minimum benefits as determined by the municipality; and
 - Fifty percent must be used to fund a defined contribution component of the plan.

- The increase in additional premium tax revenues between 1997 and the amount received in calendar year 2013 must be used to fund benefits that are not included in the minimum benefits. If this amount exceeds the cost to pay for the extra benefits, then:
 - Fifty percent must be used to fund minimum chapter benefits or other benefits in excess of the minimum benefits as determined by the municipality; and
 - Fifty percent must be used to fund a defined contribution component of the plan.
- Accumulations of additional tax revenues that have not otherwise been applied must be used to fund extra benefits as follows:
 - Fifty percent must be used to fund a defined contribution component of the plan; and
 - Fifty percent must be applied towards paying any accrued unfunded actuarial liability of the plan.

For plans created after March 1, 2014, 50 percent of the insurance premium tax revenues must be used to fund defined-benefit plan benefits and the remainder must be used to fund defined-contribution plan benefits.

Reduction in Plan Benefits

The bill provides that plan benefits in excess of the minimum benefits may be reduced, excluding supplemental plans in effect as of September 1, 2013, if the plan continues to meet the minimum benefits and minimum standards of the chapter. If the plan sponsor reduces the excess benefits, 50 percent of the moneys freed up by the reduction in benefits must be used to fund minimum benefits and the other 50 percent must be used to fund a defined contribution component of the plan. The bill does not permit a reduction in excess benefits if the plan does not meet the minimum benefit accrual rate of 2.75 percent.

Collective Bargaining Agreement

The bill provides that notwithstanding the premium tax distribution requirements, a plan may deviate from the provisions by mutual consent of the members' collective bargaining representative or, if none, by majority consent of the firefighter or police officer members of the fund, and by consent of the municipality or special fire control district, provided that the plan continues to meet the minimum benefits and standards of the chapter. However, a plan operating with a mutual consent agreement that does not meet a minimum benefit as of October 1, 2012, may continue to provide the benefit at the same level as provided on October 1, 2012, and all other benefit levels must continue to meet the minimum benefit levels. The bill provides that "a special act plan or plan within a supplemental plan municipality shall be considered to have mutually consented to such deviation as of July 1, 2014, regarding the existing arrangement of the use of premium tax revenues."

Reliance on DMS Interpretation

The bill provides that notwithstanding the provisions of chapter 175 or 185, F.S., a plan that has relied on an interpretation of DMS on or after August 14, 2012, and before March 4, 2014, may continue to implement proposed changes in reliance on that interpretation.⁶⁰ Such reliance must be evidenced by a written collective bargaining proposal or agreement, or formal correspondence between the municipality or district and DMS that describes the specific changes to the plan. Such initial proposal, agreement, or correspondence from the municipality must be dated before March 4, 2014. The changes that are otherwise contrary to the chapter provisions may continue in effect until the earlier of October 1, 2017, or the effective date of the collective bargaining agreement that is contrary to the changes to the local law plan.

Municipal Police Officer Pension Plans: Definition of "Compensation" or "Salary"

The bill amends s. 185.02(4), F.S., regarding the definition of "compensation" or "salary" for noncollectively bargained service earned before July 1, 2011, or for service earned under a collective bargaining agreement in place before July 1, 2011. It provides that overtime may be limited by plan

⁶⁰ According to a division email dated April 9, 2014, approximately 33 letters have been issued by the division (a copy of the email is on file with the State Affairs Committee).

provisions. The provision currently provides that overtime may not be limited to less than 300 hours per officer per calendar year.

MISCELLANEOUS PROVISIONS IN THE BILL

The bill provides a statement of important state interest. It provides that a proper and legitimate state purpose is served, which includes providing benefits that are managed, administered, and funded in an actuarially sound manner.

The bill also conforms cross-references.

B. SECTION DIRECTORY:

Section 1 amends s. 121.021, F.S., revising the definition of “vested” or “vesting”; providing that a member initially enrolled in the FRS Pension Plan after a certain date is vested after 10 years of creditable service.

Section 2 amends s. 121.051, F.S., providing for compulsory membership in the FRS Investment Plan for employees in the Elected Officers’ Class or the Senior Management Service Class initially enrolled on or after a specified date; conforming cross-references to changes made by the act.

Section 3 amends s. 121.052, F.S., prohibiting members of the Elected Officers’ Class from joining the Senior Management Service Class on a specified date.

Section 4 amends s. 121.055, F.S., prohibiting an elected official eligible for membership in the Elected Officers’ Class from enrolling in the Senior Management Service Class or in the Senior Management Service Optional Annuity Program; closing the Senior Management Service Optional Annuity Program to new members after a specified date.

Section 5 amends s. 121.091, F.S., providing that certain members are entitled to a monthly disability benefit; revising provisions to conform to changes made by the act.

Section 6 amends s. 121.4501, F.S., requiring certain employees initially enrolled in the FRS on or after a specified date to be compulsory members of the investment plan; revising the definition of “member” or “employee”; revising a provision relating to acknowledgment of an employee’s election to participate in the investment plan; placing certain employees in the pension plan from their date of hire until they are automatically enrolled in the investment plan or timely elect enrollment in the pension plan; providing certain members with a specified time to choose participation in the pension plan or investment plan; providing for the transfer of certain contributions; revising the education component; conforming provisions and cross-references to changes made by the act.

Section 7 amends s. 121.591, F.S., revising provisions relating to disability retirement benefits.

Section 8 amends s. 175.021, F.S., revising the legislative declaration to require that all firefighter pension plans meet the requirements of chapter 175, F.S., in order to receive insurance premium tax revenues.

Section 9 amends s. 175.032, F.S., revising definitions to conform to changes made by the act and providing new definitions.

Section 10 amends s. 175.071, F.S., conforming a cross-reference.

Section 11 amends s. 175.091, F.S., revising the method of creating and maintaining a firefighters’ pension trust fund.

Section 12 amends s. 175.162, F.S., deleting a provision basing the availability of additional benefits in a firefighter pension plan upon state funding; revising the calculation of monthly retirement income for a

full-time firefighter; providing that certain firefighter pension plans must maintain a certain minimum percentage of average final compensation after a specified date.

Section 13 amends s. 175.351, F.S., relating to municipalities and special fire control districts that have their own pension plans and want to participate in the distribution of a tax fund; revising criteria governing the use of revenues from the premium tax; authorizing a pension plan to reduce excess benefits if the plan continues to meet certain minimum benefits and standards; providing that the use of premium tax revenues may deviate from the requirements of chapter 175, F.S., under certain circumstances; requiring plan sponsors to have a defined contribution plan in place by a certain date; authorizing a municipality to implement certain changes to a local law plan which are contrary to chapter 175, F.S., for a limited time.

Section 14 amends s. 185.01, F.S., revising the legislative declaration to require that all police officer pension plans meet the requirements of chapter 185, F.S., in order to receive insurance premium tax revenues.

Section 15 amends s. 185.02, F.S., revising definitions to conform to changes made by the act and adding new definitions.

Section 16 amends s. 185.06, F.S., conforming a cross-reference.

Section 17 amends s. 185.07, F.S., revising the method of creating and maintaining a police officers' retirement trust fund.

Section 18 amends s. 185.16, F.S., deleting a provision basing the availability of additional benefits in a police officer pension plan upon state funding; revising the calculation of monthly retirement income for a police officer; providing that certain police officer pension plans must maintain a certain minimum percentage of average final compensation after a specified date.

Section 19 amends s. 185.35, F.S., relating to municipalities that have their own pension plans for police officers and want to participate in the distribution of a tax fund; conforming a cross-reference; revising criteria governing the use of income from the premium tax; authorizing a plan to reduce excess benefits if the plan continues to meet certain minimum benefits and minimum standards; providing that the use of premium tax revenues may deviate from the requirements of chapter 185, F.S., under specified circumstances; requiring plan sponsors to have a defined contribution plan in place by a certain date; authorizing a municipality to implement certain changes to a local law plan which are contrary to chapter 185, F.S., for a limited time.

Section 20 amends s. 238.072, F.S., conforming cross references.

Section 21 amends s. 413.051, F.S., conforming cross references.

Section 22 provides a declaration of important state interest.

Section 23 provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Florida Retirement System

During the 2013 Legislative Session, the Milliman actuarial and consulting firm conducted several actuarial studies at the request of the Speaker of the House of Representatives and the President of the Senate. The purpose of the studies was to determine the fiscal impact of requiring new enrollees who participate in the Elected Officers' Class or Senior Management Service Class to participate in the investment plan, increasing the vesting period for the pension plan, and changing the default for employees who fail to make a plan selection. The studies provided a comparison between continuing the current plan and making the above changes to the FRS.

The relevant 2013 studies were compared to determine the projected fiscal impact of this bill, because no major changes have been made to the FRS since those studies were performed. However, this bill may not necessarily produce the same projected midterm and long term results as predicted in the relevant 2013 studies.

Based on the results of the comparison between the applicable studies, the bill is projected to have no fiscal impact in fiscal year 2014-15. The projected (costs)/savings for select subsequent years are summarized in the table below (in millions \$):

Employer Funded by State	FY 2014-15		FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19	
	GR	TF	GR	TF	GR	TF	GR	TF	GR	TF
State	-	-	0.1	0.1	(0.1)	(0.1)	1.0	0.9	1.9	1.9
School Boards	-	-	-	-	-	-	6.4	-	9.6	-
State Universities	-	-	-	-	-	-	1.1	-	1.7	-
State Colleges	-	-	-	-	-	-	0.5	-	0.8	-
Total	-	-	0.1	0.1	(0.1)	(0.1)	9.0	0.9	14.0	1.9
Employers Not Funded by State										
Counties	-	-	0.3	-	(0.6)	-	2.2	-	4.6	-
Cities/Other	-	-	-	-	(0.1)	-	0.7	-	1.1	-
Subtotal	-	-	0.3	-	(0.7)	-	2.9	-	5.7	-
Grand Total	-	-	0.4	0.1	(0.8)	(0.1)	11.9	0.9	19.7	1.9

Employer Funded by State	FY 2019-20		FY 2024-25		FY 2029-30		FY 2034-35		FY 2039-40	
	GR	TF	GR	TF	GR	TF	GR	TF	GR	TF
State	3.4	3.4	14.8	14.8	35.6	35.5	75.9	75.9	178.1	178.1
School Boards	17.1		68.4		168.6		372.2		877.5	
State Universities	3.0		13.8		39.2		89.8		208.3	
State Colleges	1.4		5.8		14.5		32.0		74.5	
Total	24.9	3.4	102.8	14.8	257.9	35.5	569.9	75.9	1,338.4	178.1
Employers Not Funded by State										
Counties	8.5		41.2		106.0		244.7		604.6	
Cities/Other	2.0		8.5		21.8		48.2		113.2	
Subtotal	10.5		49.7		127.8		292.9		717.8	
Grand Total	35.4	3.4	152.5	14.8	385.7	35.5	862.8	75.9	2,056.2	178.1

The comparison of the actuarial studies projects increasing savings over the long-term for a total cumulative savings of \$28.6 billion. However, the actuary cautioned that projections become increasing unreliable, particularly after the fifth year. Variances from plan assumptions invariably occur which may become magnified over time. Nonetheless, the rates produced by the comparative analysis to the baseline plan, using the same assumptions, yield the above theoretical savings.

Chapters 175 and 185, F.S., Municipal Firefighters' and Police Officers' Pension Plans

The bill may have an indeterminate negative fiscal impact on state revenues. Certain provisions of the bill directing the expenditure of insurance premium tax revenues may offer some incentive for entities currently not offering firefighter or police officer pension plans to do so, which would reduce the amount of premium tax revenues deposited in the state's General Revenue fund. However, virtually all of the largest public employers already offer such plans, or are irrevocably participating in the FRS, significantly mitigating any potential fiscal impact. A reasonable estimate of the number of, if any, entities that may decide to offer a plan as a result of the new provisions of the bill, is indeterminate, as is the impact of them doing so.

The bill redirects how premium tax revenues provided to local governments are to be used in funding their firefighter and police officer pension plans. The bill will have an indeterminate impact on local government plans.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandates provision of Art. VII, s. 18, of the State Constitution may apply because this bill requires cities and counties to spend money or take an action that requires the expenditure of money; however, an exception applies as the Legislature has determined that this bill satisfies an important state interest. In addition, similarly situated persons are all required to comply.

2. Other:

Actuarial Requirements: Public Pension Plans

Article X, s. 14 of the State Constitution requires that benefit improvements under public pension plans in the State of Florida be concurrently funded on a sound actuarial basis, as set forth below:

SECTION 14. State retirement systems benefit changes.--A governmental unit responsible for any retirement or pension system supported in whole or in part by public funds shall not after January 1, 1977, provide any increase in the benefits to the members or beneficiaries of such system unless such unit has made or

concurrently makes provision for the funding of the increase in benefits on a sound actuarial basis.

Article X, s. 14 of the State Constitution is implemented by statute under part VII of ch. 112, F.S., the "Florida Protection of Public Employee Retirement Benefits Act" (Act). The Act establishes minimum standards for the operation and funding of public employee retirement systems and plans in the State of Florida. It prohibits the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers.

Contractual Obligations: Florida Retirement System

Article I, s. 10 of the State Constitution prohibits any bill of attainder, ex post facto law, or law impairing the obligation of contracts from being passed by the Florida Legislature.

The Florida Statutes provide that the rights of members of the FRS are of a contractual nature, entered into between the member and the state, and such rights are legally enforceable as valid contractual rights and may not be abridged in any way.⁶¹ This "preservation of rights" provision⁶² was established by the Florida Legislature with an effective date of July 1, 1974.

The Florida Supreme Court has held that the Florida Legislature may only alter the benefits structure of the FRS prospectively.⁶³ The prospective application would only alter future benefits. Those benefits previously earned or accrued by the member, under the previous benefit structure, remain untouched and the member continues to enjoy that level of benefit for the period of time up until the effective date of the proposed changes. Further, once the participating member reaches retirement status, the benefits under the terms of the FRS in effect at the time of the member's retirement vest.⁶⁴

The Florida Supreme Court further held that the "preservation of rights" provision was not intended to bind future legislatures from prospectively altering benefits which accrue for future state service.⁶⁵ More recently, the Florida Supreme Court reaffirmed the previous holding, finding that the Legislature can alter the terms of the FRS, so long as the changes to the FRS are prospective.⁶⁶

This bill does not change any benefits that a FRS member earned prior to July 1, 2015. In fact, members enrolled in the FRS before July 1, 2015, should experience no change in the benefits available under the FRS. The bill only changes the FRS system for new enrollees, enrolling in the system on or after July 1, 2015.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Other Comments:

The bill combines HB 7173, relating to the Florida Retirement System, and HB 7179, relating to local government pension reform. This bill is substantively identical to those bills.

⁶¹ Section 121.011(3)(d), F.S.

⁶² The "preservation of rights" provision vests all rights and benefits already earned under the present retirement plan so the legislature may now only alter the benefits prospectively. *Florida Sheriffs Association v. Department of Administration, Division of Retirement*, 408 So.2d 1033, 1037 (Fla. 1981).

⁶³ *Id.* at 1035.

⁶⁴ *Id.* at 1036.

⁶⁵ *Id.* at 1037.

⁶⁶ *Rick Scott, et al. v. George Williams, et al.*, 107 So.3d 379 (Fla. 2013).

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

Not applicable.

1 A bill to be entitled
2 An act relating to public retirement plans; amending
3 s. 121.021, F.S.; revising the definition of "vested"
4 or "vesting"; providing that a member initially
5 enrolled in the Florida Retirement System after a
6 certain date is vested in the pension plan after 10
7 years of creditable service; amending s. 121.051,
8 F.S.; providing for compulsory membership in the
9 Florida Retirement System Investment Plan for
10 employees in the Elected Officers' Class or the Senior
11 Management Service Class initially enrolled after a
12 specified date; amending s. 121.052, F.S.; prohibiting
13 members of the Elected Officers' Class from joining
14 the Senior Management Service Class after a specified
15 date; amending s. 121.055, F.S.; prohibiting an
16 elected official eligible for membership in the
17 Elected Officers' Class from enrolling in the Senior
18 Management Service Class or in the Senior Management
19 Service Optional Annuity Program; closing the Senior
20 Management Optional Annuity Program to new members
21 after a specified date; amending s. 121.091, F.S.;
22 increasing the service time required to qualify for
23 disability benefits to 10 years for members enrolled
24 in the pension plan on or after a specified date;
25 revising provisions to conform to changes made by the
26 act; amending s. 121.4501, F.S.; requiring certain

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27 employees initially enrolled in the Florida Retirement
28 System on or after a specified date to be compulsory
29 members of the investment plan; revising the
30 definition of "member" or "employee"; enrolling
31 certain employees in the pension plan from their date
32 of hire until they are automatically enrolled in the
33 investment plan or timely elect enrollment in the
34 pension plan; providing certain members with a
35 specified time to choose participation in the pension
36 plan or the investment plan; providing for the
37 transfer of certain contributions; revising a
38 provision relating to acknowledgement of an employee's
39 election to participate in the investment plan;
40 revising the education component; conforming
41 provisions and cross-references to changes made by the
42 act; amending s. 121.591, F.S.; increasing the service
43 time required to qualify for disability benefits to 10
44 years for members enrolled in the investment plan on
45 or after a specified date; amending s. 175.021, F.S. ;
46 revising the legislative declaration to require that
47 all firefighter pension plans meet the requirements of
48 chapter 175, F.S., in order to receive insurance
49 premium tax revenues; amending s. 175.032, F.S. ;
50 revising definitions to conform to changes made by the
51 act and providing new definitions; amending s.
52 175.071, F.S.; conforming a cross-reference; amending

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

V

53 s. 175.091, F.S.; revising the method of creating and
 54 maintaining a firefighters' pension trust fund;
 55 amending s. 175.162, F.S.; deleting a provision basing
 56 the availability of additional benefits in a
 57 firefighter pension plan upon state funding; revising
 58 the calculation of monthly retirement income for a
 59 full-time firefighter; providing that certain
 60 firefighter pension plans must maintain a certain
 61 minimum percentage of average final compensation after
 62 a specified date; amending s. 175.351, F.S., relating
 63 to municipalities and special fire control districts
 64 that have their own pension plans and want to
 65 participate in the distribution of a tax fund;
 66 revising criteria governing the use of revenues from
 67 the premium tax; authorizing a pension plan to reduce
 68 excess benefits if the plan continues to meet certain
 69 minimum benefits and standards; providing that the use
 70 of premium tax revenues may deviate from the
 71 requirements of chapter 175, F.S., under certain
 72 circumstances; requiring plan sponsors to have a
 73 defined contribution plan in place by a certain date;
 74 authorizing a municipality to implement certain
 75 changes to a local law plan which are contrary to
 76 chapter 175, F.S., for a limited time; amending s.
 77 185.01, F.S.; revising the legislative declaration to
 78 require that all police officer pension plans meet the

79 requirements of chapter 185, F.S., in order to receive
 80 insurance premium tax revenues; amending s. 185.02,
 81 F.S.; revising definitions to conform to changes made
 82 by the act and adding new definitions; revising
 83 applicability of the limitation on the amount of
 84 overtime payments which may be used for retirement
 85 benefit calculations; amending s. 185.06, F.S.;
 86 conforming a cross-reference; amending s. 185.07,
 87 F.S.; revising the method of creating and maintaining
 88 a police officers' retirement trust fund; amending s.
 89 185.16, F.S.; deleting a provision basing the
 90 availability of additional benefits in a police
 91 officer pension plan upon state funding; revising the
 92 calculation of monthly retirement income for a police
 93 officer; providing that certain police officer pension
 94 plans must maintain a certain minimum percentage of
 95 average final compensation after a specified date;
 96 amending s. 185.35, F.S., relating to municipalities
 97 that have their own pension plans for police officers
 98 and want to participate in the distribution of a tax
 99 fund; conforming a cross-reference; revising criteria
 100 governing the use of revenues from the premium tax;
 101 authorizing a plan to reduce excess benefits if the
 102 plan continues to meet certain minimum benefits and
 103 minimum standards; providing that the use of premium
 104 tax revenues may deviate from the requirements of

105 chapter 185, F.S., under specified circumstances;
 106 requiring plan sponsors to have a defined contribution
 107 plan in place by a certain date; authorizing a
 108 municipality to implement certain changes to a local
 109 law plan which are contrary to chapter 185, F.S., for
 110 a limited time; amending ss. 238.072 and 413.051,
 111 F.S.; conforming cross-references; providing that the
 112 act fulfills an important state interest; providing an
 113 effective date.

114
 115 Be It Enacted by the Legislature of the State of Florida:

116
 117 Section 1. Subsection (45) of section 121.021, Florida
 118 Statutes, is amended to read:

119 121.021 Definitions.—The following words and phrases as
 120 used in this chapter have the respective meanings set forth
 121 unless a different meaning is plainly required by the context:

122 (45) "Vested" or "vesting" means the guarantee that a
 123 member is eligible to receive a future retirement benefit upon
 124 completion of the required years of creditable service for the
 125 employee's class of membership, even though the member may have
 126 terminated covered employment before reaching normal or early
 127 retirement date. Being vested does not entitle a member to a
 128 disability benefit. Provisions governing entitlement to
 129 disability benefits are set forth under s. 121.091(4).

130 (a) Effective July 1, 2001, through June 30, 2011, a 6-

131 year vesting requirement shall be implemented for the Florida
 132 Retirement System Pension Plan:

133 1. Any member employed in a regularly established position
 134 on July 1, 2001, who completes or has completed a total of 6
 135 years of creditable service is considered vested.

136 2. Any member initially enrolled in the Florida Retirement
 137 System before July 1, 2001, but not employed in a regularly
 138 established position on July 1, 2001, shall be deemed vested
 139 upon completion of 6 years of creditable service if such member
 140 is employed in a covered position for at least 1 work year after
 141 July 1, 2001. However, a member is not required to complete more
 142 years of creditable service than would have been required for
 143 that member to vest under retirement laws in effect before July
 144 1, 2001.

145 3. Any member initially enrolled in the Florida Retirement
 146 System on July 1, 2001, through June 30, 2011, shall be deemed
 147 vested upon completion of 6 years of creditable service.

148 (b) Any member initially enrolled in the Florida
 149 Retirement System on ~~or after~~ July 1, 2011, through June 30,
 150 2015, shall be vested in the pension plan upon completion of 8
 151 years of creditable service.

152 (c) Any member initially enrolled in the Florida
 153 Retirement System on or after July 1, 2015, shall be vested in
 154 the pension plan upon completion of 10 years of creditable
 155 service.

156 Section 2. Subsections (3) through (9) of section 121.051,

157 Florida Statutes, are renumbered as subsections (4) through
 158 (10), respectively, and a new subsection (3) is added to that
 159 section, to read:

160 121.051 Participation in the system.—

161 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.—

162 (a) Employees initially enrolled on or after July 1, 2015,
 163 in positions covered by the Elected Officers' Class or the
 164 Senior Management Service Class are compulsory members of the
 165 investment plan, except those who withdraw from the system under
 166 s. 121.052(3)(d) or s. 121.055(1)(b)2., or those who participate
 167 in an optional retirement program under paragraph (1)(a),
 168 paragraph (2)(c), or s. 121.35. Investment plan membership
 169 continues if there is subsequent employment in a position
 170 covered by another membership class. Membership in the pension
 171 plan is not permitted except as provided in s. 121.591(2).
 172 Employees initially enrolled in the Florida Retirement System
 173 prior to July 1, 2015, may retain their membership in the
 174 pension plan or investment plan and are eligible to use the
 175 election opportunity specified in s. 121.4501(4)(f). Employees
 176 initially enrolled on or after July 1, 2015, in positions
 177 covered by the Elected Officers' Class or the Senior Management
 178 Service Class are not eligible to use the election opportunity
 179 specified in s. 121.4501(4)(f).

180 (b) Employees eligible to withdraw from the system under
 181 s. 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw
 182 from the system or to participate in the investment plan as

183 provided in these sections. Employees eligible for optional
 184 retirement programs under paragraph (2) (c) or s. 121.35 may
 185 choose to participate in the optional retirement program or the
 186 investment plan as provided in this paragraph or this section.
 187 Eligible employees required to participate pursuant to (1) (a) in
 188 the optional retirement program as provided under s. 121.35 must
 189 participate in the investment plan when employed in a position
 190 not eligible for the optional retirement program.

191 Section 3. Paragraph (c) of subsection (3) of section
 192 121.052, Florida Statutes, is amended to read:

193 121.052 Membership class of elected officers.—

194 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective
 195 July 1, 1990, participation in the Elected Officers' Class shall
 196 be compulsory for elected officers listed in paragraphs (2) (a) -
 197 (d) and (f) assuming office on or after said date, unless the
 198 elected officer elects membership in another class or withdraws
 199 from the Florida Retirement System as provided in paragraphs
 200 (3) (a) - (d):

201 (c) Before July 1, 2015, any elected officer may, within 6
 202 months after assuming office, or within 6 months after this act
 203 becomes a law for serving elected officers, elect membership in
 204 the Senior Management Service Class as provided in s. 121.055 in
 205 lieu of membership in the Elected Officers' Class. Any such
 206 election made by a county elected officer shall have no effect
 207 upon the statutory limit on the number of nonelective full-time
 208 positions that may be designated by a local agency employer for

209 inclusion in the Senior Management Service Class under s.
 210 121.055(1)(b)1.

211 Section 4. Paragraph (f) of subsection (1) and paragraph
 212 (c) of subsection (6) of section 121.055, Florida Statutes, are
 213 amended to read:

214 121.055 Senior Management Service Class.—There is hereby
 215 established a separate class of membership within the Florida
 216 Retirement System to be known as the "Senior Management Service
 217 Class," which shall become effective February 1, 1987.

218 (1)

219 (f) Effective July 1, 1997, through June 30, 2015:

220 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
 221 4., an elected state officer eligible for membership in the
 222 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
 223 elects membership in the Senior Management Service Class under
 224 s. 121.052(3)(c) may, within 6 months after assuming office or
 225 within 6 months after this act becomes a law for serving elected
 226 state officers, elect to participate in the Senior Management
 227 Service Optional Annuity Program, as provided in subsection (6),
 228 in lieu of membership in the Senior Management Service Class.

229 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
 230 4., an elected officer of a local agency employer eligible for
 231 membership in the Elected Officers' Class under s. 121.052(2)(d)
 232 who elects membership in the Senior Management Service Class
 233 under s. 121.052(3)(c) may, within 6 months after assuming
 234 office, or within 6 months after this act becomes a law for

235 | serving elected officers of a local agency employer, elect to
 236 | withdraw from the Florida Retirement System, as provided in
 237 | subparagraph (b)2., in lieu of membership in the Senior
 238 | Management Service Class.

239 | 3. A retiree of a state-administered retirement system who
 240 | is initially reemployed in a regularly established position on
 241 | or after July 1, 2010, as an elected official eligible for the
 242 | Elected Officers' Class may not be enrolled in renewed
 243 | membership in the Senior Management Service Class or in the
 244 | Senior Management Service Optional Annuity Program as provided
 245 | in subsection (6), and may not withdraw from the Florida
 246 | Retirement System as a renewed member as provided in
 247 | subparagraph (b)2., as applicable, in lieu of membership in the
 248 | Senior Management Service Class.

249 | 4. On or after July 1, 2015, an elected official eligible
 250 | for membership in the Elected Officers' Class may not enroll in
 251 | the Senior Management Service Class or in the Senior Management
 252 | Service Optional Annuity Program as provided in subsection (6).

253 | (6)

254 | (c) Participation.—

255 | 1. An eligible employee who is employed on or before
 256 | February 1, 1987, may elect to participate in the optional
 257 | annuity program in lieu of participating in the Senior
 258 | Management Service Class. Such election must be made in writing
 259 | and filed with the department and the personnel officer of the
 260 | employer on or before May 1, 1987. An eligible employee who is

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261 employed on or before February 1, 1987, and who fails to make an
262 election to participate in the optional annuity program by May
263 1, 1987, shall be deemed to have elected membership in the
264 Senior Management Service Class.

265 2. Except as provided in subparagraph 6., an employee who
266 becomes eligible to participate in the optional annuity program
267 by reason of initial employment commencing after February 1,
268 1987, may, within 90 days after the date of commencing
269 employment, elect to participate in the optional annuity
270 program. Such election must be made in writing and filed with
271 the personnel officer of the employer. An eligible employee who
272 does not within 90 days after commencing employment elect to
273 participate in the optional annuity program shall be deemed to
274 have elected membership in the Senior Management Service Class.

275 3. A person who is appointed to a position in the Senior
276 Management Service Class and who is a member of an existing
277 retirement system or the Special Risk or Special Risk
278 Administrative Support Classes of the Florida Retirement System
279 may elect to remain in such system or class in lieu of
280 participating in the Senior Management Service Class or optional
281 annuity program. Such election must be made in writing and filed
282 with the department and the personnel officer of the employer
283 within 90 days after such appointment. An eligible employee who
284 fails to make an election to participate in the existing system,
285 the Special Risk Class of the Florida Retirement System, the
286 Special Risk Administrative Support Class of the Florida

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287 Retirement System, or the optional annuity program shall be
288 deemed to have elected membership in the Senior Management
289 Service Class.

290 4. Except as provided in subparagraph 5., an employee's
291 election to participate in the optional annuity program is
292 irrevocable if the employee continues to be employed in an
293 eligible position and continues to meet the eligibility
294 requirements set forth in this paragraph.

295 5. Effective from July 1, 2002, through September 30,
296 2002, an active employee in a regularly established position who
297 has elected to participate in the Senior Management Service
298 Optional Annuity Program has one opportunity to choose to move
299 from the Senior Management Service Optional Annuity Program to
300 the Florida Retirement System Pension Plan.

301 a. The election must be made in writing and must be filed
302 with the department and the personnel officer of the employer
303 before October 1, 2002, or, in the case of an active employee
304 who is on a leave of absence on July 1, 2002, within 90 days
305 after the conclusion of the leave of absence. This election is
306 irrevocable.

307 b. The employee shall receive service credit under the
308 pension plan equal to his or her years of service under the
309 Senior Management Service Optional Annuity Program. The cost for
310 such credit is the amount representing the present value of that
311 employee's accumulated benefit obligation for the affected
312 period of service.

313 c. The employee must transfer the total accumulated
 314 employer contributions and earnings on deposit in his or her
 315 Senior Management Service Optional Annuity Program account. If
 316 the transferred amount is not sufficient to pay the amount due,
 317 the employee must pay a sum representing the remainder of the
 318 amount due. The employee may not retain any employer
 319 contributions or earnings from the Senior Management Service
 320 Optional Annuity Program account.

321 6. A retiree of a state-administered retirement system who
 322 is initially reemployed on or after July 1, 2010, may not renew
 323 membership in the Senior Management Service Optional Annuity
 324 Program.

325 7. Effective July 1, 2015, the Senior Management Service
 326 Optional Annuity Program is closed to new members. Members
 327 enrolled in the Senior Management Service Optional Annuity
 328 Program before July 1, 2015, may retain their membership in the
 329 annuity program.

330 Section 5. Paragraph (a) of subsection (4) of section
 331 121.091, Florida Statutes, is amended to read:

332 121.091 Benefits payable under the system.—Benefits may
 333 not be paid under this section unless the member has terminated
 334 employment as provided in s. 121.021(39)(a) or begun
 335 participation in the Deferred Retirement Option Program as
 336 provided in subsection (13), and a proper application has been
 337 filed in the manner prescribed by the department. The department
 338 may cancel an application for retirement benefits when the

339 member or beneficiary fails to timely provide the information
 340 and documents required by this chapter and the department's
 341 rules. The department shall adopt rules establishing procedures
 342 for application for retirement benefits and for the cancellation
 343 of such application when the required information or documents
 344 are not received.

345 (4) DISABILITY RETIREMENT BENEFIT.—

346 (a) Disability retirement; entitlement and effective
 347 date.—

348 1.a. A member who becomes totally and permanently
 349 disabled, as defined in paragraph (b), after completing 5 years
 350 of creditable service, or a member who becomes totally and
 351 permanently disabled in the line of duty regardless of service,
 352 is entitled to a monthly disability benefit; except that any
 353 member with less than 5 years of creditable service on July 1,
 354 1980, or any person who becomes a member of the Florida
 355 Retirement System on or after such date must have completed 10
 356 years of creditable service before becoming totally and
 357 permanently disabled in order to receive disability retirement
 358 benefits for any disability which occurs other than in the line
 359 of duty. However, if a member employed on July 1, 1980, who has
 360 less than 5 years of creditable service as of that date becomes
 361 totally and permanently disabled after completing 5 years of
 362 creditable service and is found not to have attained fully
 363 insured status for benefits under the federal Social Security
 364 Act, such member is entitled to a monthly disability benefit.

365 b. Effective July 1, 2001, a member of the pension plan
 366 initially enrolled before July 1, 2015, who becomes totally and
 367 permanently disabled, as defined in paragraph (b), after
 368 completing 8 years of creditable service, or a member who
 369 becomes totally and permanently disabled in the line of duty
 370 regardless of service, is entitled to a monthly disability
 371 benefit.

372 c. Effective July 1, 2015, a member of the pension plan
 373 initially enrolled on or after July 1, 2015, who becomes totally
 374 and permanently disabled, as defined in paragraph (b), after
 375 completing 10 years of creditable service, or a member who
 376 becomes totally and permanently disabled in the line of duty
 377 regardless of service, is entitled to a monthly disability
 378 benefit.

379 2. If the division has received from the employer the
 380 required documentation of the member's termination of
 381 employment, the effective retirement date for a member who
 382 applies and is approved for disability retirement shall be
 383 established by rule of the division.

384 3. For a member who is receiving Workers' Compensation
 385 payments, the effective disability retirement date may not
 386 precede the date the member reaches Maximum Medical Improvement
 387 (MMI), unless the member terminates employment before reaching
 388 MMI.

389 Section 6. Subsection (1), paragraph (i) of subsection
 390 (2), paragraph (b) of subsection (3), subsection (4), paragraph

391 (c) of subsection (5), subsection (8), and paragraphs (a), (b),
 392 (c), and (h) of subsection (10) of section 121.4501, Florida
 393 Statutes, are amended to read:

394 121.4501 Florida Retirement System Investment Plan.—

395 (1) The Trustees of the State Board of Administration
 396 shall establish a defined contribution program called the
 397 "Florida Retirement System Investment Plan" or "investment plan"
 398 for members of the Florida Retirement System under which
 399 retirement benefits will be provided for eligible employees who
 400 elect to participate in the program and for employees initially
 401 enrolled on or after July 1, 2015, in positions covered by the
 402 Elected Officers' Class or the Senior Management Service Class
 403 and are compulsory members of the investment plan unless the
 404 member withdraws from the system under s. 121.052(3)(d) or s.
 405 121.055(1)(b)2., or participates in an optional retirement
 406 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
 407 Investment plan membership continues if there is subsequent
 408 employment in a position covered by another membership class.

409 The retirement benefits shall be provided through member-
 410 directed investments, in accordance with s. 401(a) of the
 411 Internal Revenue Code and related regulations. The employer and
 412 employee shall make contributions, as provided in this section
 413 and ss. 121.571 and 121.71, to the Florida Retirement System
 414 Investment Plan Trust Fund toward the funding of benefits.

415 (2) DEFINITIONS.—As used in this part, the term:

416 (i) "Member" or "employee" means an eligible employee who

417 enrolls in, or is defaulted into, the investment plan as
 418 provided in subsection (4), a terminated Deferred Retirement
 419 Option Program member as described in subsection (21), or a
 420 beneficiary or alternate payee of a member or employee.

421 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

422 (b) Notwithstanding paragraph (a), an eligible employee
 423 who elects to participate in, or is defaulted into, the
 424 investment plan and establishes one or more individual member
 425 accounts may elect to transfer to the investment plan a sum
 426 representing the present value of the employee's accumulated
 427 benefit obligation under the pension plan, except as provided in
 428 paragraph (4) (b). Upon transfer, all service credit earned under
 429 the pension plan is nullified for purposes of entitlement to a
 430 future benefit under the pension plan. A member may not transfer
 431 the accumulated benefit obligation balance from the pension plan
 432 after the time period for enrolling in the investment plan has
 433 expired.

434 1. For purposes of this subsection, the present value of
 435 the member's accumulated benefit obligation is based upon the
 436 member's estimated creditable service and estimated average
 437 final compensation under the pension plan, subject to
 438 recomputation under subparagraph 2. For state employees, initial
 439 estimates shall be based upon creditable service and average
 440 final compensation as of midnight on June 30, 2002; for district
 441 school board employees, initial estimates shall be based upon
 442 creditable service and average final compensation as of midnight

443 on September 30, 2002; and for local government employees,
 444 initial estimates shall be based upon creditable service and
 445 average final compensation as of midnight on December 31, 2002.
 446 The dates specified are the "estimate date" for these employees.
 447 The actuarial present value of the employee's accumulated
 448 benefit obligation shall be based on the following:

449 a. The discount rate and other relevant actuarial
 450 assumptions used to value the Florida Retirement System Trust
 451 Fund at the time the amount to be transferred is determined,
 452 consistent with the factors provided in sub-subparagraphs b. and
 453 c.

454 b. A benefit commencement age, based on the member's
 455 estimated creditable service as of the estimate date.

456 c. Except as provided under sub-subparagraph d., for a
 457 member initially enrolled:

458 (I) Before July 1, 2011, the benefit commencement age is
 459 the younger of the following, but may not be younger than the
 460 member's age as of the estimate date:

461 (A) Age 62; or

462 (B) The age the member would attain if the member
 463 completed 30 years of service with an employer, assuming the
 464 member worked continuously from the estimate date, and
 465 disregarding any vesting requirement that would otherwise apply
 466 under the pension plan.

467 (II) On or after July 1, 2011, the benefit commencement
 468 age is the younger of the following, but may not be younger than

469 the member's age as of the estimate date:

470 (A) Age 65; or

471 (B) The age the member would attain if the member
 472 completed 33 years of service with an employer, assuming the
 473 member worked continuously from the estimate date, and
 474 disregarding any vesting requirement that would otherwise apply
 475 under the pension plan.

476 d. For members of the Special Risk Class and for members
 477 of the Special Risk Administrative Support Class entitled to
 478 retain the special risk normal retirement date:

479 (I) Initially enrolled before July 1, 2011, the benefit
 480 commencement age is the younger of the following, but may not be
 481 younger than the member's age as of the estimate date:

482 (A) Age 55; or

483 (B) The age the member would attain if the member
 484 completed 25 years of service with an employer, assuming the
 485 member worked continuously from the estimate date, and
 486 disregarding any vesting requirement that would otherwise apply
 487 under the pension plan.

488 (II) Initially enrolled on or after July 1, 2011, the
 489 benefit commencement age is the younger of the following, but
 490 may not be younger than the member's age as of the estimate
 491 date:

492 (A) Age 60; or

493 (B) The age the member would attain if the member
 494 completed 30 years of service with an employer, assuming the

495 member worked continuously from the estimate date, and
 496 disregarding any vesting requirement that would otherwise apply
 497 under the pension plan.

498 e. The calculation must disregard vesting requirements and
 499 early retirement reduction factors that would otherwise apply
 500 under the pension plan.

501 2. For each member who elects to transfer moneys from the
 502 pension plan to his or her account in the investment plan, the
 503 division shall recompute the amount transferred under
 504 subparagraph 1. within 60 days after the actual transfer of
 505 funds based upon the member's actual creditable service and
 506 actual final average compensation as of the initial date of
 507 participation in the investment plan. If the recomputed amount
 508 differs from the amount transferred by \$10 or more, the division
 509 shall:

510 a. Transfer, or cause to be transferred, from the Florida
 511 Retirement System Trust Fund to the member's account the excess,
 512 if any, of the recomputed amount over the previously transferred
 513 amount together with interest from the initial date of transfer
 514 to the date of transfer under this subparagraph, based upon the
 515 effective annual interest equal to the assumed return on the
 516 actuarial investment which was used in the most recent actuarial
 517 valuation of the system, compounded annually.

518 b. Transfer, or cause to be transferred, from the member's
 519 account to the Florida Retirement System Trust Fund the excess,
 520 if any, of the previously transferred amount over the recomputed

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521 amount, together with interest from the initial date of transfer
522 to the date of transfer under this subparagraph, based upon 6
523 percent effective annual interest, compounded annually, pro rata
524 based on the member's allocation plan.

525 3. If contribution adjustments are made as a result of
526 employer errors or corrections, including plan corrections,
527 following recomputation of the amount transferred under
528 subparagraph 1., the member is entitled to the additional
529 contributions or is responsible for returning any excess
530 contributions resulting from the correction. However, any return
531 of such erroneous excess pretax contribution by the plan must be
532 made within the period allowed by the Internal Revenue Service.
533 The present value of the member's accumulated benefit obligation
534 shall not be recalculated.

535 4. As directed by the member, the state board shall
536 transfer or cause to be transferred the appropriate amounts to
537 the designated accounts within 30 days after the effective date
538 of the member's participation in the investment plan unless the
539 major financial markets for securities available for a transfer
540 are seriously disrupted by an unforeseen event that causes the
541 suspension of trading on any national securities exchange in the
542 country where the securities were issued. In that event, the 30-
543 day period may be extended by a resolution of the state board.
544 Transfers are not commissionable or subject to other fees and
545 may be in the form of securities or cash, as determined by the
546 state board. Such securities are valued as of the date of

547 receipt in the member's account.

548 5. If the state board or the division receives
 549 notification from the United States Internal Revenue Service
 550 that this paragraph or any portion of this paragraph will cause
 551 the retirement system, or a portion thereof, to be disqualified
 552 for tax purposes under the Internal Revenue Code, the portion
 553 that will cause the disqualification does not apply. Upon such
 554 notice, the state board and the division shall notify the
 555 presiding officers of the Legislature.

556 (4) PARTICIPATION; ENROLLMENT.-

557 (a)1. Effective June 1, 2002, through February 28, 2003, a
 558 90-day election period was provided to each eligible employee
 559 participating in the Florida Retirement System, preceded by a
 560 90-day education period, permitting each eligible employee to
 561 elect membership in the investment plan, and an employee who
 562 failed to elect the investment plan during the election period
 563 remained in the pension plan. An eligible employee who was
 564 employed in a regularly established position during the election
 565 period was granted the option to make one subsequent election,
 566 as provided in paragraph (f). With respect to an eligible
 567 employee who did not participate in the initial election period
 568 or who is initially ~~employee who is~~ employed in a regularly
 569 established position after the close of the initial election
 570 period but before July 1, 2015, ~~on June 1, 2002, by a state~~
 571 employer.

572 a. ~~Any such employee may elect to participate in the~~

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573 ~~investment plan in lieu of retaining his or her membership in~~
574 ~~the pension plan. The election must be made in writing or by~~
575 ~~electronic means and must be filed with the third party~~
576 ~~administrator by August 31, 2002, or, in the case of an active~~
577 ~~employee who is on a leave of absence on April 1, 2002, by the~~
578 ~~last business day of the 5th month following the month the leave~~
579 ~~of absence concludes. This election is irrevocable, except as~~
580 ~~provided in paragraph (g). Upon making such election, the~~
581 ~~employee shall be enrolled as a member of the investment plan,~~
582 ~~the employee's membership in the Florida Retirement System is~~
583 ~~governed by the provisions of this part, and the employee's~~
584 ~~membership in the pension plan terminates. The employee's~~
585 ~~enrollment in the investment plan is effective the first day of~~
586 ~~the month for which a full month's employer contribution is made~~
587 ~~to the investment plan.~~

588 ~~b. Any such employee who fails to elect to participate in~~
589 ~~the investment plan within the prescribed time period is deemed~~
590 ~~to have elected to retain membership in the pension plan, and~~
591 ~~the employee's option to elect to participate in the investment~~
592 ~~plan is forfeited.~~

593 ~~2. With respect to employees who become eligible to~~
594 ~~participate in the investment plan by reason of employment in a~~
595 ~~regularly established position with a state employer commencing~~
596 ~~after April 1, 2002:~~

597 ~~a. Any such employee shall, by default, be enrolled in the~~
598 ~~pension plan at the commencement of employment, and may, by the~~

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599 last business day of the 5th month following the employee's
600 month of hire, elect to participate in the investment plan. The
601 employee's election must be made in writing or by electronic
602 means and must be filed with the third-party administrator. The
603 election to participate in the investment plan is irrevocable,
604 except as provided in paragraph (f) ~~(g)~~.

605 a.b. If the employee files such election within the
606 prescribed time period, enrollment in the investment plan is
607 effective on the first day of employment. The retirement
608 contributions paid through the month of the employee plan change
609 shall be transferred to the investment program, and, effective
610 the first day of the next month, the employer and employee must
611 pay the applicable contributions based on the employee
612 membership class in the program.

613 b.e. An employee who fails to elect to participate in the
614 investment plan within the prescribed time period is deemed to
615 have elected to retain membership in the pension plan, and the
616 employee's option to elect to participate in the investment plan
617 is forfeited.

618 2.3. With respect to employees who become eligible to
619 participate in the investment plan pursuant to s.
620 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
621 participate in the investment plan in lieu of retaining his or
622 her membership in the State Community College System Optional
623 Retirement Program or the State University System Optional
624 Retirement Program. The election must be made in writing or by

625 electronic means and must be filed with the third-party
 626 administrator. This election is irrevocable, except as provided
 627 in paragraph (f) ~~(g)~~. Upon making such election, the employee
 628 shall be enrolled as a member in the investment plan, the
 629 employee's membership in the Florida Retirement System is
 630 governed by the provisions of this part, and the employee's
 631 participation in the State Community College System Optional
 632 Retirement Program or the State University System Optional
 633 Retirement Program terminates. The employee's enrollment in the
 634 investment plan is effective on the first day of the month for
 635 which a full month's employer and employee contribution is made
 636 to the investment plan.

637 (b)1. With respect to employees who become eligible to
 638 participate in the investment plan, except as provided in
 639 paragraph (g), by reason of employment in a regularly
 640 established position commencing on or after July 1, 2015, any
 641 such employee shall be enrolled in the pension plan at the
 642 commencement of employment and may, by the last business day of
 643 the 8th month following the employee's month of hire, elect to
 644 participate in the pension plan or the investment plan. Eligible
 645 employees may make a plan election only if they are earning
 646 service credit in an employer-employee relationship consistent
 647 with s. 121.021(17)(b), excluding leaves of absence without pay.

648 2. The employee's election must be made in writing or by
 649 electronic means and must be filed with the third-party
 650 administrator. The election to participate in the pension plan

651 or investment plan is irrevocable, except as provided in
 652 paragraph (f).

653 3. If the employee fails to make an election of the
 654 pension plan or investment plan within 8 months following the
 655 month of hire, the employee is deemed to have elected the
 656 investment plan and will be defaulted into the investment plan
 657 retroactively to the employee's date of employment. The
 658 employee's option to participate in the pension plan is
 659 forfeited, except as provided in paragraph (f).

660 4. The amount of the employee and employer contributions
 661 paid before the default to the investment plan shall be
 662 transferred to the investment plan and shall be placed in a
 663 default fund as designated by the State Board of Administration.
 664 The employee may move the contributions once an account is
 665 activated in the investment plan.

666 5. Effective the first day of the month after an eligible
 667 employee makes a plan election of the pension plan or investment
 668 plan, or after the month of default to the investment plan, the
 669 employee and employer shall pay the applicable contributions
 670 based on the employee membership class in the program.

671 ~~4. For purposes of this paragraph, "state employer" means~~
 672 ~~any agency, board, branch, commission, community college,~~
 673 ~~department, institution, institution of higher education, or~~
 674 ~~water management district of the state, which participates in~~
 675 ~~the Florida Retirement System for the benefit of certain~~
 676 ~~employees.~~

677 ~~(b)1. With respect to an eligible employee who is employed~~
 678 ~~in a regularly established position on September 1, 2002, by a~~
 679 ~~district school board employer.~~

680 ~~a. Any such employee may elect to participate in the~~
 681 ~~investment plan in lieu of retaining his or her membership in~~
 682 ~~the pension plan. The election must be made in writing or by~~
 683 ~~electronic means and must be filed with the third party~~
 684 ~~administrator by November 30, or, in the case of an active~~
 685 ~~employee who is on a leave of absence on July 1, 2002, by the~~
 686 ~~last business day of the 5th month following the month the leave~~
 687 ~~of absence concludes. This election is irrevocable, except as~~
 688 ~~provided in paragraph (g). Upon making such election, the~~
 689 ~~employee shall be enrolled as a member of the investment plan,~~
 690 ~~the employee's membership in the Florida Retirement System is~~
 691 ~~governed by the provisions of this part, and the employee's~~
 692 ~~membership in the pension plan terminates. The employee's~~
 693 ~~enrollment in the investment plan is effective the first day of~~
 694 ~~the month for which a full month's employer contribution is made~~
 695 ~~to the investment program.~~

696 ~~b. Any such employee who fails to elect to participate in~~
 697 ~~the investment plan within the prescribed time period is deemed~~
 698 ~~to have elected to retain membership in the pension plan, and~~
 699 ~~the employee's option to elect to participate in the investment~~
 700 ~~plan is forfeited.~~

701 ~~2. With respect to employees who become eligible to~~
 702 ~~participate in the investment plan by reason of employment in a~~

703 ~~regularly established position with a district school board~~
 704 ~~employer commencing after July 1, 2002.~~

705 ~~a. Any such employee shall, by default, be enrolled in the~~
 706 ~~pension plan at the commencement of employment, and may, by the~~
 707 ~~last business day of the 5th month following the employee's~~
 708 ~~month of hire, elect to participate in the investment plan. The~~
 709 ~~employee's election must be made in writing or by electronic~~
 710 ~~means and must be filed with the third party administrator. The~~
 711 ~~election to participate in the investment plan is irrevocable,~~
 712 ~~except as provided in paragraph (g).~~

713 ~~b. If the employee files such election within the~~
 714 ~~prescribed time period, enrollment in the investment plan is~~
 715 ~~effective on the first day of employment. The employer~~
 716 ~~retirement contributions paid through the month of the employee~~
 717 ~~plan change shall be transferred to the investment plan, and,~~
 718 ~~effective the first day of the next month, the employer shall~~
 719 ~~pay the applicable contributions based on the employee~~
 720 ~~membership class in the investment plan.~~

721 ~~c. Any such employee who fails to elect to participate in~~
 722 ~~the investment plan within the prescribed time period is deemed~~
 723 ~~to have elected to retain membership in the pension plan, and~~
 724 ~~the employee's option to elect to participate in the investment~~
 725 ~~plan is forfeited.~~

726 ~~3. For purposes of this paragraph, "district school board~~
 727 ~~employer" means any district school board that participates in~~
 728 ~~the Florida Retirement System for the benefit of certain~~

729 ~~employees, or a charter school or charter technical career~~
 730 ~~center that participates in the Florida Retirement System as~~
 731 ~~provided in s. 121.051(2)(d).~~

732 ~~(c)1. With respect to an eligible employee who is employed~~
 733 ~~in a regularly established position on December 1, 2002, by a~~
 734 ~~local employer:~~

735 ~~a. Any such employee may elect to participate in the~~
 736 ~~investment plan in lieu of retaining his or her membership in~~
 737 ~~the pension plan. The election must be made in writing or by~~
 738 ~~electronic means and must be filed with the third party~~
 739 ~~administrator by February 28, 2003, or, in the case of an active~~
 740 ~~employee who is on a leave of absence on October 1, 2002, by the~~
 741 ~~last business day of the 5th month following the month the leave~~
 742 ~~of absence concludes. This election is irrevocable, except as~~
 743 ~~provided in paragraph (g). Upon making such election, the~~
 744 ~~employee shall be enrolled as a participant of the investment~~
 745 ~~plan, the employee's membership in the Florida Retirement System~~
 746 ~~is governed by the provisions of this part, and the employee's~~
 747 ~~membership in the pension plan terminates. The employee's~~
 748 ~~enrollment in the investment plan is effective the first day of~~
 749 ~~the month for which a full month's employer contribution is made~~
 750 ~~to the investment plan.~~

751 ~~b. Any such employee who fails to elect to participate in~~
 752 ~~the investment plan within the prescribed time period is deemed~~
 753 ~~to have elected to retain membership in the pension plan, and~~
 754 ~~the employee's option to elect to participate in the investment~~

755 ~~plan is forfeited.~~

756 ~~2. With respect to employees who become eligible to~~
 757 ~~participate in the investment plan by reason of employment in a~~
 758 ~~regularly established position with a local employer commencing~~
 759 ~~after October 1, 2002.~~

760 ~~a. Any such employee shall, by default, be enrolled in the~~
 761 ~~pension plan at the commencement of employment, and may, by the~~
 762 ~~last business day of the 5th month following the employee's~~
 763 ~~month of hire, elect to participate in the investment plan. The~~
 764 ~~employee's election must be made in writing or by electronic~~
 765 ~~means and must be filed with the third party administrator. The~~
 766 ~~election to participate in the investment plan is irrevocable,~~
 767 ~~except as provided in paragraph (g).~~

768 ~~b. If the employee files such election within the~~
 769 ~~prescribed time period, enrollment in the investment plan is~~
 770 ~~effective on the first day of employment. The employer~~
 771 ~~retirement contributions paid through the month of the employee~~
 772 ~~plan change shall be transferred to the investment plan, and,~~
 773 ~~effective the first day of the next month, the employer shall~~
 774 ~~pay the applicable contributions based on the employee~~
 775 ~~membership class in the investment plan.~~

776 ~~c. Any such employee who fails to elect to participate in~~
 777 ~~the investment plan within the prescribed time period is deemed~~
 778 ~~to have elected to retain membership in the pension plan, and~~
 779 ~~the employee's option to elect to participate in the investment~~
 780 ~~plan is forfeited.~~

781 3. ~~For purposes of this paragraph, "local employer" means~~
 782 ~~any employer not included in paragraph (a) or paragraph (b).~~

783 (c)~~(d)~~ Contributions available for self-direction by a
 784 member who has not selected one or more specific investment
 785 products shall be allocated as prescribed by the state board.
 786 The third-party administrator shall notify the member at least
 787 quarterly that the member should take an affirmative action to
 788 make an asset allocation among the investment products.

789 (d)~~(e)~~ On or after July 1, 2011, a member of the pension
 790 plan who obtains a refund of employee contributions retains his
 791 or her prior plan choice upon return to employment in a
 792 regularly established position with a participating employer.

793 (e)~~(f)~~ A member of the investment plan who takes a
 794 distribution of any contributions from his or her investment
 795 plan account is considered a retiree. A retiree who is initially
 796 reemployed in a regularly established position on or after July
 797 1, 2010, is not eligible to be enrolled in renewed membership.

798 (f)~~(g)~~ After the period during which an eligible employee
 799 had the choice to elect the pension plan or the investment plan,
 800 or the month following the receipt of the eligible employee's
 801 plan election, if sooner, the employee shall have one
 802 opportunity, at the employee's discretion, to choose to move
 803 from the pension plan to the investment plan or from the
 804 investment plan to the pension plan. Eligible employees may
 805 elect to move between plans only if they are earning service
 806 credit in an employer-employee relationship consistent with s.

807 121.021(17)(b), excluding leaves of absence without pay.
 808 Effective July 1, 2005, such elections are effective on the
 809 first day of the month following the receipt of the election by
 810 the third-party administrator and are not subject to the
 811 requirements regarding an employer-employee relationship or
 812 receipt of contributions for the eligible employee in the
 813 effective month, except when the election is received by the
 814 third-party administrator. This paragraph is contingent upon
 815 approval by the Internal Revenue Service. This paragraph does
 816 not apply to compulsory investment plan members under paragraph
 817 (g).

818 1. If the employee chooses to move to the investment plan,
 819 the provisions of subsection (3) govern the transfer.

820 2. If the employee chooses to move to the pension plan,
 821 the employee must transfer from his or her investment plan
 822 account, and from other employee moneys as necessary, a sum
 823 representing the present value of that employee's accumulated
 824 benefit obligation immediately following the time of such
 825 movement, determined assuming that attained service equals the
 826 sum of service in the pension plan and service in the investment
 827 plan. Benefit commencement occurs on the first date the employee
 828 is eligible for unreduced benefits, using the discount rate and
 829 other relevant actuarial assumptions that were used to value the
 830 pension plan liabilities in the most recent actuarial valuation.
 831 For any employee who, at the time of the second election,
 832 already maintains an accrued benefit amount in the pension plan,

833 the then-present value of the accrued benefit is deemed part of
 834 the required transfer amount. The division must ensure that the
 835 transfer sum is prepared using a formula and methodology
 836 certified by an enrolled actuary. A refund of any employee
 837 contributions or additional member payments made which exceed
 838 the employee contributions that would have accrued had the
 839 member remained in the pension plan and not transferred to the
 840 investment plan is not permitted.

841 3. Notwithstanding subparagraph 2., an employee who
 842 chooses to move to the pension plan and who became eligible to
 843 participate in the investment plan by reason of employment in a
 844 regularly established position with a state employer after June
 845 1, 2002; a district school board employer after September 1,
 846 2002; or a local employer after December 1, 2002, must transfer
 847 from his or her investment plan account, and from other employee
 848 moneys as necessary, a sum representing the employee's actuarial
 849 accrued liability. A refund of any employee contributions or
 850 additional member ~~participant~~ payments made which exceed the
 851 employee contributions that would have accrued had the member
 852 remained in the pension plan and not transferred to the
 853 investment plan is not permitted.

854 4. An employee's ability to transfer from the pension plan
 855 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~
 856 ~~(d)~~, and the ability of a current employee to have an option to
 857 later transfer back into the pension plan under subparagraph 2.,
 858 shall be deemed a significant system amendment. Pursuant to s.

859 121.031(4), any resulting unfunded liability arising from actual
 860 original transfers from the pension plan to the investment plan
 861 must be amortized within 30 plan years as a separate unfunded
 862 actuarial base independent of the reserve stabilization
 863 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
 864 direct amortization payment may not be calculated for this base.
 865 During this 25-year period, the separate base shall be used to
 866 offset the impact of employees exercising their second program
 867 election under this paragraph. The actuarial funded status of
 868 the pension plan will not be affected by such second program
 869 elections in any significant manner, after due recognition of
 870 the separate unfunded actuarial base. Following the initial 25-
 871 year period, any remaining balance of the original separate base
 872 shall be amortized over the remaining 5 years of the required
 873 30-year amortization period.

874 5. If the employee chooses to transfer from the investment
 875 plan to the pension plan and retains an excess account balance
 876 in the investment plan after satisfying the buy-in requirements
 877 under this paragraph, the excess may not be distributed until
 878 the member retires from the pension plan. The excess account
 879 balance may be rolled over to the pension plan and used to
 880 purchase service credit or upgrade creditable service in the
 881 pension plan.

882 (g)1. All employees initially enrolled on or after July 1,
 883 2015, in positions covered by the Elected Officers' Class or the
 884 Senior Management Service Class are compulsory members of the

885 investment plan, except those who withdraw from the system under
 886 s. 121.052(3)(d) or s. 121.055(1)(b)2., or those who participate
 887 in an optional retirement program under s. 121.051(1)(a), s.
 888 121.051(2)(c), or s. 121.35. Employees eligible to withdraw from
 889 the system under s. 121.052(3)(d) or s. 121.055(1)(b)2. may
 890 choose to withdraw from the system or to participate in the
 891 investment plan as provided in those sections. Employees
 892 eligible for optional retirement programs under s. 121.051(2)(c)
 893 or s. 121.35, except as provided in s. 121.051(1)(a), may choose
 894 to participate in the optional retirement program or the
 895 investment plan as provided in those sections. Investment plan
 896 membership continues if there is subsequent employment in a
 897 position covered by another membership class. Membership in the
 898 pension plan is not permitted except as provided in s.
 899 121.591(2). Employees initially enrolled in the Florida
 900 Retirement System prior to July 1, 2015, may retain their
 901 membership in the pension plan or investment plan and are
 902 eligible to use the election opportunity specified in s.
 903 121.4501(4)(f).

904 2. Employees initially enrolled on or after July 1, 2015,
 905 in a position covered by the Elected Officers' Class or the
 906 Senior Management Service Class are not permitted to use the
 907 election opportunity specified in paragraph (f).

908 3. The amount of retirement contributions paid by the
 909 employee and employer, as required under s. 121.72, shall be
 910 placed in a default fund as designated by the state board, until

911 an account is activated in the investment plan, at which time
 912 the member may move the contributions from the default fund to
 913 other funds provided in the investment plan.

914 (5) CONTRIBUTIONS.—

915 (c) The state board, acting as plan fiduciary, must ensure
 916 that all plan assets are held in a trust, pursuant to s. 401 of
 917 the Internal Revenue Code. The fiduciary must ensure that such
 918 contributions are allocated as follows:

919 1. The employer and employee contribution portion
 920 earmarked for member accounts shall be used to purchase
 921 interests in the appropriate investment vehicles as specified by
 922 the member, or in accordance with paragraph (4) (c) ~~(4) (d)~~.

923 2. The employer contribution portion earmarked for
 924 administrative and educational expenses shall be transferred to
 925 the Florida Retirement System Investment Plan Trust Fund.

926 3. The employer contribution portion earmarked for
 927 disability benefits shall be transferred to the Florida
 928 Retirement System Trust Fund.

929 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
 930 shall be administered by the state board and affected employers.
 931 The state board may require oaths, by affidavit or otherwise,
 932 and acknowledgments from persons in connection with the
 933 administration of its statutory duties and responsibilities for
 934 the investment plan. An oath, by affidavit or otherwise, may not
 935 be required of a member at the time of enrollment.

936 Acknowledgment of an employee's election to participate in the

937 program shall be no greater than necessary to confirm the
 938 employee's election except for members initially enrolled on or
 939 after July 1, 2015, as provided in paragraph (4)(g). The state
 940 board shall adopt rules to carry out its statutory duties with
 941 respect to administering the investment plan, including
 942 establishing the roles and responsibilities of affected state,
 943 local government, and education-related employers, the state
 944 board, the department, and third-party contractors. The
 945 department shall adopt rules necessary to administer the
 946 investment plan in coordination with the pension plan and the
 947 disability benefits available under the investment plan.

948 (a)1. The state board shall select and contract with a
 949 third-party administrator to provide administrative services if
 950 those services cannot be competitively and contractually
 951 provided by the division. With the approval of the state board,
 952 the third-party administrator may subcontract to provide
 953 components of the administrative services. As a cost of
 954 administration, the state board may compensate any such
 955 contractor for its services, in accordance with the terms of the
 956 contract, as is deemed necessary or proper by the board. The
 957 third-party administrator may not be an approved provider or be
 958 affiliated with an approved provider.

959 2. These administrative services may include, but are not
 960 limited to, enrollment of eligible employees, collection of
 961 employer and employee contributions, disbursement of
 962 contributions to approved providers in accordance with the

963 allocation directions of members; services relating to
 964 consolidated billing; individual and collective recordkeeping
 965 and accounting; asset purchase, control, and safekeeping; and
 966 direct disbursement of funds to and from the third-party
 967 administrator, the division, the state board, employers,
 968 members, approved providers, and beneficiaries. This section
 969 does not prevent or prohibit a bundled provider from providing
 970 any administrative or customer service, including accounting and
 971 administration of individual member benefits and contributions;
 972 individual member recordkeeping; asset purchase, control, and
 973 safekeeping; direct execution of the member's instructions as to
 974 asset and contribution allocation; calculation of daily net
 975 asset values; direct access to member account information; or
 976 periodic reporting to members, at least quarterly, on account
 977 balances and transactions, if these services are authorized by
 978 the state board as part of the contract.

979 (b)1. The state board shall select and contract with one
 980 or more organizations to provide educational services. With
 981 approval of the state board, the organizations may subcontract
 982 to provide components of the educational services. As a cost of
 983 administration, the state board may compensate any such
 984 contractor for its services in accordance with the terms of the
 985 contract, as is deemed necessary or proper by the board. The
 986 education organization may not be an approved provider or be
 987 affiliated with an approved provider.

988 2. Educational services shall be designed by the state

989 board and department to assist employers, eligible employees,
 990 members, and beneficiaries in order to maintain compliance with
 991 United States Department of Labor regulations under s. 404(c) of
 992 the Employee Retirement Income Security Act of 1974 and to
 993 assist employees in their choice of pension plan or investment
 994 plan retirement alternatives. Educational services include, but
 995 are not limited to, disseminating educational materials;
 996 providing retirement planning education; explaining the pension
 997 plan and the investment plan; and offering financial planning
 998 guidance on matters such as investment diversification,
 999 investment risks, investment costs, and asset allocation. An
 1000 approved provider may also provide educational information,
 1001 including retirement planning and investment allocation
 1002 information concerning its products and services.

1003 (c)1. In evaluating and selecting a third-party
 1004 administrator, the state board shall establish criteria for
 1005 evaluating the relative capabilities and qualifications of each
 1006 proposed administrator. In developing such criteria, the state
 1007 board shall consider:

1008 a. The administrator's demonstrated experience in
 1009 providing administrative services to public or private sector
 1010 retirement systems.

1011 b. The administrator's demonstrated experience in
 1012 providing daily valued recordkeeping to defined contribution
 1013 programs.

1014 c. The administrator's ability and willingness to

1015 coordinate its activities with employers, the state board, and
 1016 the division, and to supply to such employers, the board, and
 1017 the division the information and data they require, including,
 1018 but not limited to, monthly management reports, quarterly member
 1019 reports, and ad hoc reports requested by the department or state
 1020 board.

1021 d. The cost-effectiveness and levels of the administrative
 1022 services provided.

1023 e. The administrator's ability to interact with the
 1024 members, the employers, the state board, the division, and the
 1025 providers; the means by which members may access account
 1026 information, direct investment of contributions, make changes to
 1027 their accounts, transfer moneys between available investment
 1028 vehicles, and transfer moneys between investment products; and
 1029 any fees that apply to such activities.

1030 f. Any other factor deemed necessary by the state board.

1031 2. In evaluating and selecting an educational provider,
 1032 the state board shall establish criteria under which it shall
 1033 consider the relative capabilities and qualifications of each
 1034 proposed educational provider. In developing such criteria, the
 1035 state board shall consider:

1036 a. Demonstrated experience in providing educational
 1037 services to public or private sector retirement systems.

1038 b. Ability and willingness to coordinate its activities
 1039 with the employers, the state board, and the division, and to
 1040 supply to such employers, the board, and the division the

1041 information and data they require, including, but not limited
 1042 to, reports on educational contacts.

1043 c. The cost-effectiveness and levels of the educational
 1044 services provided.

1045 d. Ability to provide educational services via different
 1046 media, including, but not limited to, the Internet, personal
 1047 contact, seminars, brochures, and newsletters.

1048 e. Any other factor deemed necessary by the state board.

1049 3. The establishment of the criteria shall be solely
 1050 within the discretion of the state board.

1051 (d) The state board shall develop the form and content of
 1052 any contracts to be offered under the investment plan. In
 1053 developing the contracts, the board shall consider:

1054 1. The nature and extent of the rights and benefits to be
 1055 afforded in relation to the contributions required under the
 1056 plan.

1057 2. The suitability of the rights and benefits provided and
 1058 the interests of employers in the recruitment and retention of
 1059 eligible employees.

1060 (e)1. The state board may contract for professional
 1061 services, including legal, consulting, accounting, and actuarial
 1062 services, deemed necessary to implement and administer the
 1063 investment plan. The state board may enter into a contract with
 1064 one or more vendors to provide low-cost investment advice to
 1065 members, supplemental to education provided by the third-party
 1066 administrator. All fees under any such contract shall be paid by

1067 those members who choose to use the services of the vendor.

1068 2. The department may contract for professional services,
 1069 including legal, consulting, accounting, and actuarial services,
 1070 deemed necessary to implement and administer the investment plan
 1071 in coordination with the pension plan. The department, in
 1072 coordination with the state board, may enter into a contract
 1073 with the third-party administrator in order to coordinate
 1074 services common to the various programs within the Florida
 1075 Retirement System.

1076 (f) The third-party administrator may not receive direct
 1077 or indirect compensation from an approved provider, except as
 1078 specifically provided for in the contract with the state board.

1079 (g) The state board shall receive and resolve member
 1080 complaints against the program, the third-party administrator,
 1081 or any program vendor or provider; shall resolve any conflict
 1082 between the third-party administrator and an approved provider
 1083 if such conflict threatens the implementation or administration
 1084 of the program or the quality of services to employees; and may
 1085 resolve any other conflicts. The third-party administrator shall
 1086 retain all member records for at least 5 years for use in
 1087 resolving any member conflicts. The state board, the third-party
 1088 administrator, or a provider is not required to produce
 1089 documentation or an audio recording to justify action taken with
 1090 regard to a member if the action occurred 5 or more years before
 1091 the complaint is submitted to the state board. It is presumed
 1092 that all action taken 5 or more years before the complaint is

1093 submitted was taken at the request of the member and with the
 1094 member's full knowledge and consent. To overcome this
 1095 presumption, the member must present documentary evidence or an
 1096 audio recording demonstrating otherwise.

1097 (10) EDUCATION COMPONENT.—

1098 (a) The state board, in coordination with the department,
 1099 shall provide for an education component for eligible employees
 1100 ~~system members~~ in a manner consistent with the provisions of
 1101 this subsection ~~section~~. ~~The education component must be~~
 1102 ~~available to eligible employees at least 90 days prior to the~~
 1103 ~~beginning date of the election period for the employees of the~~
 1104 ~~respective types of employers.~~

1105 (b) The education component must provide system members
 1106 with impartial and balanced information about plan choices
 1107 except for members initially enrolled on or after July 1, 2015,
 1108 as provided in paragraph (4) (g). The education component must
 1109 involve multimedia formats. Program comparisons must, to the
 1110 greatest extent possible, be based upon the retirement income
 1111 that different retirement programs may provide to the member.
 1112 The state board shall monitor the performance of the contract to
 1113 ensure that the program is conducted in accordance with the
 1114 contract, applicable law, and the rules of the state board.

1115 (c) The state board, in coordination with the department,
 1116 shall provide for an initial and ongoing transfer education
 1117 component to provide system members except for those members
 1118 initially enrolled on or after July 1, 2015, as provided in

1119 paragraph (4)(g), with information necessary to make informed
 1120 plan choice decisions. The transfer education component must
 1121 include, but is not limited to, information on:

1122 1. The amount of money available to a member to transfer
 1123 to the defined contribution program.

1124 2. The features of and differences between the pension
 1125 plan and the defined contribution program, both generally and
 1126 specifically, as those differences may affect the member.

1127 3. The expected benefit available if the member were to
 1128 retire under each of the retirement programs, based on
 1129 appropriate alternative sets of assumptions.

1130 4. The rate of return from investments in the defined
 1131 contribution program and the period of time over which such rate
 1132 of return must be achieved to equal or exceed the expected
 1133 monthly benefit payable to the member under the pension plan.

1134 5. The historical rates of return for the investment
 1135 alternatives available in the defined contribution programs.

1136 6. The benefits and historical rates of return on
 1137 investments available in a typical deferred compensation plan or
 1138 a typical plan under s. 403(b) of the Internal Revenue Code for
 1139 which the employee may be eligible.

1140 7. The program choices available to employees of the State
 1141 University System and the comparative benefits of each available
 1142 program, if applicable.

1143 8. Payout options available in each of the retirement
 1144 programs.

1145 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
 1146 ~~System employers have an obligation to regularly communicate the~~
 1147 ~~existence of the two Florida Retirement System plans and the~~
 1148 ~~plan choice in the natural course of administering their~~
 1149 ~~personnel functions, using the educational materials supplied by~~
 1150 ~~the state board and the Department of Management Services.~~

1151 Section 7. Paragraph (b) of subsection (2) of section
 1152 121.591, Florida Statutes, is amended to read:

1153 121.591 Payment of benefits.—Benefits may not be paid
 1154 under the Florida Retirement System Investment Plan unless the
 1155 member has terminated employment as provided in s.
 1156 121.021(39)(a) or is deceased and a proper application has been
 1157 filed as prescribed by the state board or the department.
 1158 Benefits, including employee contributions, are not payable
 1159 under the investment plan for employee hardships, unforeseeable
 1160 emergencies, loans, medical expenses, educational expenses,
 1161 purchase of a principal residence, payments necessary to prevent
 1162 eviction or foreclosure on an employee's principal residence, or
 1163 any other reason except a requested distribution for retirement,
 1164 a mandatory de minimis distribution authorized by the
 1165 administrator, or a required minimum distribution provided
 1166 pursuant to the Internal Revenue Code. The state board or
 1167 department, as appropriate, may cancel an application for
 1168 retirement benefits if the member or beneficiary fails to timely
 1169 provide the information and documents required by this chapter
 1170 and the rules of the state board and department. In accordance

1171 with their respective responsibilities, the state board and the
 1172 department shall adopt rules establishing procedures for
 1173 application for retirement benefits and for the cancellation of
 1174 such application if the required information or documents are
 1175 not received. The state board and the department, as
 1176 appropriate, are authorized to cash out a de minimis account of
 1177 a member who has been terminated from Florida Retirement System
 1178 covered employment for a minimum of 6 calendar months. A de
 1179 minimis account is an account containing employer and employee
 1180 contributions and accumulated earnings of not more than \$5,000
 1181 made under the provisions of this chapter. Such cash-out must be
 1182 a complete lump-sum liquidation of the account balance, subject
 1183 to the provisions of the Internal Revenue Code, or a lump-sum
 1184 direct rollover distribution paid directly to the custodian of
 1185 an eligible retirement plan, as defined by the Internal Revenue
 1186 Code, on behalf of the member. Any nonvested accumulations and
 1187 associated service credit, including amounts transferred to the
 1188 suspense account of the Florida Retirement System Investment
 1189 Plan Trust Fund authorized under s. 121.4501(6), shall be
 1190 forfeited upon payment of any vested benefit to a member or
 1191 beneficiary, except for de minimis distributions or minimum
 1192 required distributions as provided under this section. If any
 1193 financial instrument issued for the payment of retirement
 1194 benefits under this section is not presented for payment within
 1195 180 days after the last day of the month in which it was
 1196 originally issued, the third-party administrator or other duly

1197 authorized agent of the state board shall cancel the instrument
 1198 and credit the amount of the instrument to the suspense account
 1199 of the Florida Retirement System Investment Plan Trust Fund
 1200 authorized under s. 121.4501(6). Any amounts transferred to the
 1201 suspense account are payable upon a proper application, not to
 1202 include earnings thereon, as provided in this section, within 10
 1203 years after the last day of the month in which the instrument
 1204 was originally issued, after which time such amounts and any
 1205 earnings attributable to employer contributions shall be
 1206 forfeited. Any forfeited amounts are assets of the trust fund
 1207 and are not subject to chapter 717.

1208 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided
 1209 under this subsection are payable in lieu of the benefits that
 1210 would otherwise be payable under the provisions of subsection
 1211 (1). Such benefits must be funded from employer contributions
 1212 made under s. 121.571, transferred employee contributions and
 1213 funds accumulated pursuant to paragraph (a), and interest and
 1214 earnings thereon.

1215 (b) Disability retirement; entitlement.—

1216 1.a. A member of the investment plan initially enrolled
 1217 before July 1, 2015, who becomes totally and permanently
 1218 disabled, as defined in paragraph (d), after completing 8 years
 1219 of creditable service, or a member who becomes totally and
 1220 permanently disabled in the line of duty regardless of length of
 1221 service, is entitled to a monthly disability benefit.

1222 b. A member of the investment plan initially enrolled on

1223 or after July 1, 2015, who becomes totally and permanently
 1224 disabled, as defined in paragraph (d), after completing 10 years
 1225 of creditable service, or a member who becomes totally and
 1226 permanently disabled in the line of duty regardless of service,
 1227 is entitled to a monthly disability benefit.

1228 2. In order for service to apply toward the 8 years of
 1229 creditable service required for regular disability benefits, or
 1230 toward the creditable service used in calculating a service-
 1231 based benefit as provided under paragraph (g), the service must
 1232 be creditable service as described below:

1233 a. The member's period of service under the investment
 1234 plan shall be considered creditable service, except as provided
 1235 in subparagraph d.

1236 b. If the member has elected to retain credit for service
 1237 under the pension plan as provided under s. 121.4501(3), all
 1238 such service shall be considered creditable service.

1239 c. If the member elects to transfer to his or her member
 1240 accounts a sum representing the present value of his or her
 1241 retirement credit under the pension plan as provided under s.
 1242 121.4501(3), the period of service under the pension plan
 1243 represented in the present value amounts transferred shall be
 1244 considered creditable service, except as provided in
 1245 subparagraph d.

1246 d. If a member has terminated employment and has taken
 1247 distribution of his or her funds as provided in subsection (1),
 1248 all creditable service represented by such distributed funds is

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1249 forfeited for purposes of this subsection.

1250 Section 8. Subsection (2) of section 175.021, Florida
 1251 Statutes, is amended to read:

1252 175.021 Legislative declaration.—

1253 (2) This chapter hereby establishes, for all municipal and
 1254 special district pension plans existing ~~now or hereafter~~ under
 1255 this chapter, including chapter plans and local law plans,
 1256 minimum benefits and minimum standards for the operation and
 1257 funding of such plans, hereinafter referred to as firefighters'
 1258 pension trust funds, which must be met as a condition precedent
 1259 to the plan or plan sponsor receiving a distribution of
 1260 insurance premium tax revenues under s. 175.121. The minimum
 1261 benefits and minimum standards for each plan as set forth in
 1262 this chapter may not be diminished by local charter, ordinance,
 1263 or resolution or by special act of the Legislature and may not,
 1264 ~~nor may the minimum benefits or minimum standards~~ be reduced or
 1265 offset by any other local, state, or federal law that includes
 1266 ~~may include~~ firefighters in its operation, except as provided
 1267 under s. 112.65.

1268 Section 9. Section 175.032, Florida Statutes, is amended
 1269 to read:

1270 175.032 Definitions.—For any municipality, special fire
 1271 control district, chapter plan, local law municipality, local
 1272 law special fire control district, or local law plan under this
 1273 chapter, the term following words and phrases have the following
 1274 meanings:

1275 (1) "Additional premium tax revenues" means revenues
 1276 received by a municipality or special fire control district
 1277 pursuant to s. 175.121 which exceed base premium tax revenues.

1278 ~~(2)(1)(a)~~ "Average final compensation" for:

1279 (a) A full-time firefighter means one-twelfth of the
 1280 average annual compensation of the 5 best years of the last 10
 1281 years of creditable service before ~~prior to~~ retirement,
 1282 termination, or death, or the career average as a full-time
 1283 firefighter since July 1, 1953, whichever is greater. A year is
 1284 ~~shall be~~ 12 consecutive months or such other consecutive period
 1285 of time as is used and consistently applied.

1286 ~~(b) "Average final compensation" for~~ A volunteer
 1287 firefighter means the average salary of the 5 best years of the
 1288 last 10 best contributing years before ~~prior to~~ change in status
 1289 to a permanent full-time firefighter or retirement as a
 1290 volunteer firefighter or the career average of a volunteer
 1291 firefighter, since July 1, 1953, whichever is greater.

1292 (3) "Base premium tax revenues" means the revenues
 1293 received by a municipality or special fire control district
 1294 pursuant to s. 175.121 for the calendar year 1997.

1295 ~~(4)(2)~~ "Chapter plan" means a separate defined benefit
 1296 pension plan for firefighters which incorporates by reference
 1297 the provisions of this chapter and has been adopted by the
 1298 governing body of a municipality or special district. Except as
 1299 ~~may be~~ specifically authorized in this chapter, the provisions
 1300 of a chapter plan may not differ from the plan provisions set

1301 | forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial
 1302 | valuations of chapter plans shall be conducted by the division
 1303 | as provided by s. 175.261(1).

1304 | ~~(5)-(3)~~ "Compensation" or "salary" means, for
 1305 | noncollectively bargained service earned before July 1, 2011, or
 1306 | for service earned under collective bargaining agreements in
 1307 | place before July 1, 2011, the fixed monthly remuneration paid a
 1308 | firefighter. If remuneration is based on actual services
 1309 | rendered, as in the case of a volunteer firefighter, the term
 1310 | means the total cash remuneration received yearly for such
 1311 | services, prorated on a monthly basis. For noncollectively
 1312 | bargained service earned on or after July 1, 2011, or for
 1313 | service earned under collective bargaining agreements entered
 1314 | into on or after July 1, 2011, the term has the same meaning
 1315 | except that when calculating retirement benefits, up to 300
 1316 | hours per year in overtime compensation may be included as
 1317 | specified in the plan or collective bargaining agreement, but
 1318 | payments for accrued unused sick or annual leave may not be
 1319 | included.

1320 | (a) Any retirement trust fund or plan that meets the
 1321 | requirements of this chapter does not, solely by virtue of this
 1322 | subsection, reduce or diminish the monthly retirement income
 1323 | otherwise payable to each firefighter covered by the retirement
 1324 | trust fund or plan.

1325 | (b) The member's compensation or salary contributed as
 1326 | employee-elective salary reductions or deferrals to any salary

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1327 reduction, deferred compensation, or tax-sheltered annuity
1328 program authorized under the Internal Revenue Code shall be
1329 deemed to be the compensation or salary the member would receive
1330 if he or she were not participating in such program and ~~shall be~~
1331 treated as compensation for retirement purposes under this
1332 chapter.

1333 (c) For any person who first becomes a member in any plan
1334 year beginning on or after January 1, 1996, compensation for
1335 that plan year may not include any amounts in excess of the
1336 Internal Revenue Code s. 401(a)(17) limitation, as amended by
1337 the Omnibus Budget Reconciliation Act of 1993, which limitation
1338 of \$150,000 shall be adjusted as required by federal law for
1339 qualified government plans and ~~shall be~~ further adjusted for
1340 changes in the cost of living in the manner provided by Internal
1341 Revenue Code s. 401(a)(17)(B). For any person who first became a
1342 member before the first plan year beginning on or after January
1343 1, 1996, the limitation on compensation may not be less than the
1344 maximum compensation amount that was allowed to be taken into
1345 account under the plan in effect on July 1, 1993, which
1346 limitation shall be adjusted for changes in the cost of living
1347 since 1989 in the manner provided by Internal Revenue Code s.
1348 401(a)(17)(1991).

1349 (6)~~(4)~~ "Creditable service" or "credited service" means
1350 the aggregate number of years of service, and fractional parts
1351 of years of service, of any firefighter, omitting intervening
1352 years and fractional parts of years when such firefighter may

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1353 not have been employed by the municipality or special fire
 1354 control district, subject to the following conditions:

1355 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
 1356 or fractional parts of years of service if he or she has
 1357 withdrawn his or her contributions to the fund for those years
 1358 or fractional parts of years of service, unless the firefighter
 1359 repays into the fund the amount he or she has withdrawn, plus
 1360 interest determined by the board. The member shall have at least
 1361 90 days after his or her reemployment to make repayment.

1362 (b) A firefighter may voluntarily leave his or her
 1363 contributions in the fund for ~~a period of~~ 5 years after leaving
 1364 the employ of the fire department, pending the possibility of
 1365 being rehired by the same department, without losing credit for
 1366 the time he or she has participated actively as a firefighter.
 1367 If the firefighter is not reemployed as a firefighter, with the
 1368 same department, within 5 years, his or her contributions shall
 1369 be returned without interest.

1370 (c) Credited service under this chapter shall be provided
 1371 only for service as a firefighter, ~~as defined in subsection (8),~~
 1372 or for military service and does not include credit for any
 1373 other type of service. A municipality ~~may~~, by local ordinance,
 1374 or a special fire control district ~~may~~, by resolution, may
 1375 provide for the purchase of credit for military service prior to
 1376 employment as well as for prior service as a firefighter for
 1377 some other employer as long as a firefighter is not entitled to
 1378 receive a benefit for such prior service ~~as a firefighter~~. For

1379 purposes of determining credit for prior service as a
 1380 firefighter, in addition to service as a firefighter in this
 1381 state, credit may be given for federal, other state, or county
 1382 service if the prior service is recognized by the Division of
 1383 State Fire Marshal as provided in ~~under~~ chapter 633, or the
 1384 firefighter provides proof to the board of trustees that his or
 1385 her service is equivalent to the service required to meet the
 1386 definition of a firefighter under subsection (11) ~~(8)~~.

1387 (d) In determining the creditable service of any
 1388 firefighter, credit for up to 5 years of the time spent in the
 1389 military service of the Armed Forces of the United States shall
 1390 be added to the years of actual service if:

1391 1. The firefighter is in the active employ of an employer
 1392 immediately prior to such service and leaves a position, other
 1393 than a temporary position, for the purpose of voluntary or
 1394 involuntary service in the Armed Forces of the United States.

1395 2. The firefighter is entitled to reemployment under the
 1396 provisions of the Uniformed Services Employment and Reemployment
 1397 Rights Act.

1398 3. The firefighter returns to his or her employment as a
 1399 firefighter of the municipality or special fire control district
 1400 within 1 year from the date of release from such active service.

1401 (7) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
 1402 local law plan retirement option in which a firefighter may
 1403 elect to participate. A firefighter may retire for all purposes
 1404 of the plan and defer receipt of retirement benefits into a DROP

1405 account while continuing employment with his or her employer.
 1406 However, a firefighter who enters the DROP and who is otherwise
 1407 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
 1408 participation or continued participation ~~participating, or~~
 1409 ~~continuing to participate,~~ in a supplemental plan in existence
 1410 on, or created after, March 12, 1999 ~~the effective date of this~~
 1411 ~~act.~~

1412 (8) "Defined contribution plan" means the component of a
 1413 local law plan, as provided in s. 175.351(1), to which deposits,
 1414 if any, are made to provide benefits for firefighters, or for
 1415 firefighters and police officers if both are included. Such
 1416 component is an element of a local law plan and exists in
 1417 conjunction with the defined benefit component that meets the
 1418 minimum benefits and minimum standards of this chapter. The
 1419 retirement benefits, if any, of the defined contribution plan
 1420 shall be provided through individual member accounts in
 1421 accordance with the applicable provisions of the Internal
 1422 Revenue Code and related regulations and are limited to the
 1423 contributions, if any, made into each member's account and the
 1424 actual accumulated earnings, net of expenses, earned on the
 1425 member's account.

1426 (9) ~~(6)~~ "Division" means the Division of Retirement of the
 1427 Department of Management Services.

1428 (10) ~~(7)~~ "Enrolled actuary" means an actuary who is
 1429 enrolled under Subtitle C of Title III of the Employee
 1430 Retirement Income Security Act of 1974 and who is a member of

1431 the Society of Actuaries or the American Academy of Actuaries.

1432 (11)~~(8)~~ (a) "Firefighter" means a person employed solely by
 1433 a constituted fire department of any municipality or special
 1434 fire control district who is certified as a firefighter as a
 1435 condition of employment in accordance with s. 633.408 and whose
 1436 duty it is to extinguish fires, to protect life, or to protect
 1437 property. The term includes all certified, supervisory, and
 1438 command personnel whose duties include, in whole or in part, the
 1439 supervision, training, guidance, and management responsibilities
 1440 of full-time firefighters, part-time firefighters, or auxiliary
 1441 firefighters but does not include part-time firefighters or
 1442 auxiliary firefighters. However, for purposes of this chapter
 1443 only, the term also includes public safety officers who are
 1444 responsible for performing both police and fire services, who
 1445 are certified as police officers or firefighters, and who are
 1446 certified by their employers to the Chief Financial Officer as
 1447 participating in this chapter before October 1, 1979. Effective
 1448 October 1, 1979, public safety officers who have not been
 1449 certified as participating in this chapter are considered police
 1450 officers for retirement purposes and are eligible to participate
 1451 in chapter 185. Any plan may provide that the fire chief has an
 1452 option to participate,~~or not,~~ in that plan.

1453 (b) "Volunteer firefighter" means any person whose name is
 1454 carried on the active membership roll of a constituted volunteer
 1455 fire department or a combination of a paid and volunteer fire
 1456 department of any municipality or special fire control district

1457 and whose duty it is to extinguish fires, to protect life, and
 1458 to protect property. Compensation for services rendered by a
 1459 volunteer firefighter does ~~shall~~ not disqualify him or her as a
 1460 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
 1461 firefighter solely because he or she has other gainful
 1462 employment. Any person who volunteers assistance at a fire but
 1463 is not an active member of a department described herein is not
 1464 a volunteer firefighter within the meaning of this paragraph.

1465 (12)~~(9)~~ "Firefighters' Pension Trust Fund" means a trust
 1466 fund, by whatever name known, as provided under s. 175.041, for
 1467 the purpose of assisting municipalities and special fire control
 1468 districts in establishing and maintaining a retirement plan for
 1469 firefighters.

1470 (13)~~(10)~~ "Local law municipality" is any municipality in
 1471 which ~~there exists~~ a local law plan exists.

1472 (14)~~(11)~~ "Local law plan" means a retirement defined
 1473 benefit pension plan, which includes both a defined benefit plan
 1474 component and a defined contribution plan component, for
 1475 firefighters, or for firefighters and ~~or~~ police officers if both
 1476 are ~~where~~ included, as described in s. 175.351, established by
 1477 municipal ordinance, special district resolution, or special act
 1478 of the Legislature, which ~~enactment~~ sets forth all plan
 1479 provisions. Local law plan provisions may vary from the
 1480 provisions of this chapter if the, ~~provided that required~~
 1481 minimum benefits and minimum standards of this chapter are met.
 1482 However, any such variance must ~~shall~~ provide a greater benefit

1483 for firefighters. Actuarial valuations of local law plans shall
 1484 be conducted by an enrolled actuary as provided in s.
 1485 175.261(2).

1486 (15)~~(12)~~ "Local law special fire control district" means
 1487 ~~is~~ any special fire control district in which ~~there exists~~ a
 1488 local law plan exists.

1489 (16) "Minimum benefits" means the benefits set forth in
 1490 ss. 175.021-175.341 and ss. 175.361-175.401.

1491 (17) "Minimum standards" means the standards set forth in
 1492 ss. 175.021-175.341 and ss. 175.361-175.401.

1493 (18)~~(13)~~ "Property insurance" means property insurance as
 1494 defined in s. 624.604 and covers real and personal property
 1495 within the corporate limits of a any municipality, or within the
 1496 boundaries of a any special fire control district, within the
 1497 state. The term "multiple peril" means a combination or package
 1498 policy that includes both property and casualty coverage for a
 1499 single premium.

1500 (19)~~(14)~~ "Retiree" or "retired firefighter" means a
 1501 firefighter who has entered retirement status. For the purposes
 1502 of a plan that includes a Deferred Retirement Option Plan
 1503 (DROP), a firefighter who enters the DROP is ~~shall be~~ considered
 1504 a retiree for all purposes of the plan. However, a firefighter
 1505 who enters ~~the~~ DROP and who is otherwise eligible to participate
 1506 may shall not ~~thereby~~ be precluded from participation or
 1507 continued participation participating, or continuing to
 1508 ~~participate,~~ in a supplemental plan in existence on, or created

1509 after, March 12, 1999 ~~the effective date of this act.~~

1510 (20)~~(15)~~ "Retirement" means a firefighter's separation
 1511 from municipal city or fire district employment as a firefighter
 1512 with immediate eligibility for ~~receipt of~~ benefits under the
 1513 plan. For purposes of a plan that includes a Deferred Retirement
 1514 Option Plan (DROP), "retirement" means the date a firefighter
 1515 enters ~~the~~ DROP.

1516 (21) "Special act plan" means a plan subject to the
 1517 provisions of this chapter which was created by an act of the
 1518 Legislature and continues to require an act of the Legislature
 1519 to alter plan benefits.

1520 (22) "Special benefits" means benefits provided in a
 1521 defined contribution plan for firefighters.

1522 (23)~~(16)~~ "Special fire control district" means a special
 1523 district, as defined in s. 189.403~~(1)~~, established for the
 1524 purposes of extinguishing fires, protecting life, and protecting
 1525 property within the incorporated or unincorporated portions of a
 1526 any county or combination of counties, or within any combination
 1527 of incorporated and unincorporated portions of a any county or
 1528 combination of counties. The term does not include any dependent
 1529 or independent special district, as those terms are defined in
 1530 s. 189.403, whose s. 189.403(2) and (3), respectively, the
 1531 employees of which are members of the Florida Retirement System
 1532 pursuant to s. 121.051(1) or (2).

1533 (24)~~(17)~~ "Supplemental plan" means a plan to which
 1534 deposits are made to provide extra benefits for firefighters, or

1535 for firefighters and police officers if both are ~~where~~ included
 1536 ~~under this chapter~~. Such a plan is an element of a local law
 1537 plan and exists in conjunction with a defined benefit component
 1538 ~~plan~~ that meets the minimum benefits and minimum standards of
 1539 this chapter. Any supplemental plan in existence on March 1,
 1540 2014, shall be deemed to be a defined contribution plan in
 1541 compliance with s. 175.351(6).

1542 ~~(25)(18)~~ "Supplemental plan municipality" means a ~~any~~
 1543 local law municipality in which any ~~there existed a~~ supplemental
 1544 plan existed, ~~of any type or nature~~, as of December 1, 2000.

1545 Section 10. Subsection (7) of section 175.071, Florida
 1546 Statutes, is amended to read:

1547 175.071 General powers and duties of board of trustees.—
 1548 For any municipality, special fire control district, chapter
 1549 plan, local law municipality, local law special fire control
 1550 district, or local law plan under this chapter:

1551 (7) To assist the board in meeting its responsibilities
 1552 under this chapter, the board, if it so elects, may:

1553 (a) Employ independent legal counsel at the pension fund's
 1554 expense.

1555 (b) Employ an independent enrolled actuary, as defined in
 1556 s. 175.032~~(7)~~, at the pension fund's expense.

1557 (c) Employ such independent professional, technical, or
 1558 other advisers as it deems necessary at the pension fund's
 1559 expense.

1560

1561 If the board chooses to use the municipality's or special
 1562 district's legal counsel or actuary, or chooses to use any of
 1563 the municipality's or special district's other professional,
 1564 technical, or other advisers, it must do so only under terms and
 1565 conditions acceptable to the board.

1566 Section 11. Paragraph (d) of subsection (1) of section
 1567 175.091, Florida Statutes, is amended to read:

1568 175.091 Creation and maintenance of fund.—For any
 1569 municipality, special fire control district, chapter plan, local
 1570 law municipality, local law special fire control district, or
 1571 local law plan under this chapter:

1572 (1) The firefighters' pension trust fund in each
 1573 municipality and in each special fire control district shall be
 1574 created and maintained in the following manner:

1575 (d) By mandatory payment by the municipality or special
 1576 fire control district of a sum equal to the normal cost of and
 1577 the amount required to fund any actuarial deficiency shown by an
 1578 actuarial valuation conducted under ~~as provided in~~ part VII of
 1579 chapter 112 after taking into account the amounts described in
 1580 paragraphs (b), (c), (e), (f), and (g) and the tax proceeds
 1581 described in paragraph (a) which are used to fund defined
 1582 benefit plan benefits.

1583
 1584 Nothing in this section shall be construed to require adjustment
 1585 of member contribution rates in effect on the date this act
 1586 becomes a law, including rates that exceed 5 percent of salary,

1587 provided that such rates are at least one-half of 1 percent of
 1588 salary.

1589 Section 12. Paragraph (a) of subsection (2) of section
 1590 175.162, Florida Statutes, is amended to read:

1591 175.162 Requirements for retirement.—For any municipality,
 1592 special fire control district, chapter plan, local law
 1593 municipality, local law special fire control district, or local
 1594 law plan under this chapter, any firefighter who completes 10 or
 1595 more years of creditable service as a firefighter and attains
 1596 age 55, or completes 25 years of creditable service as a
 1597 firefighter and attains age 52, and who for such minimum period
 1598 has been a member of the firefighters' pension trust fund
 1599 operating under a chapter plan or local law plan, is eligible
 1600 for normal retirement benefits. Normal retirement under the plan
 1601 is retirement from the service of the municipality or special
 1602 fire control district on or after the normal retirement date. In
 1603 such event, payment of retirement income will be governed by the
 1604 following provisions of this section:

1605 (2) (a) 1. The amount of monthly retirement income payable
 1606 to a full-time firefighter who retires on or after his or her
 1607 normal retirement date shall be an amount equal to the number of
 1608 his or her years of credited service multiplied by 2.75 ~~2~~
 1609 percent of his or her average final compensation as a full-time
 1610 firefighter. ~~However, if current state contributions pursuant to~~
 1611 ~~this chapter are not adequate to fund the additional benefits to~~
 1612 ~~meet the minimum requirements in this chapter, only such~~

1613 ~~incremental increases shall be required as state moneys are~~
 1614 ~~adequate to provide. Such increments shall be provided as state~~
 1615 ~~moneys become available.~~

1616 2. Effective July 1, 2014, a plan that is in compliance
 1617 with this chapter except that the plan provides a benefit that
 1618 is less than 2.75 percent of the average final compensation of a
 1619 full-time firefighter must maintain, at a minimum, the
 1620 percentage amount in effect on July 1, 2014, and is not required
 1621 to increase the benefit to 2.75 percent of the average final
 1622 compensation of a full-time firefighter.

1623 3. Effective July 1, 2014, a plan that is in compliance
 1624 with this chapter except that the plan provides a benefit that
 1625 is less than 2.75 percent of the average final compensation of a
 1626 full-time firefighter and that changes its accrual rate to 2.75
 1627 percent, or greater, of the average final compensation of a
 1628 full-time firefighter may not thereafter decrease the accrual
 1629 rate to less than 2.75 percent of the average final compensation
 1630 of a full-time firefighter.

1631 Section 13. Section 175.351, Florida Statutes, is amended
 1632 to read:

1633 175.351 Municipalities and special fire control districts
 1634 ~~that have~~ having their own pension plans for firefighters. ~~For~~
 1635 ~~any municipality, special fire control district, local law~~
 1636 ~~municipality, local law special fire control district, or local~~
 1637 ~~law plan under this chapter,~~ In order for a municipality or
 1638 ~~municipalities and special fire control~~ district that has its

1639 ~~districts with their own pension plan plans~~ for firefighters, or
 1640 for firefighters and police officers if both are included, to
 1641 participate in the distribution of the tax fund established
 1642 under pursuant to s. 175.101, a local law plan plans must meet
 1643 the minimum benefits and minimum standards set forth in this
 1644 chapter.

1645 (1) If a municipality has a pension plan for firefighters,
 1646 or ~~a pension plan~~ for firefighters and police officers if both
 1647 are included, which in the opinion of the division meets the
 1648 minimum benefits and minimum standards set forth in this
 1649 chapter, the board of trustees of the pension plan must, ~~as~~
 1650 ~~approved by a majority of firefighters of the municipality, may:~~

1651 ~~(a)~~ place the income from the premium tax in s. 175.101 in
 1652 such ~~pension~~ plan for the sole and exclusive use of its
 1653 firefighters, or for firefighters and police officers if both
 1654 are included, where it shall become an integral part of that
 1655 ~~pension~~ plan and shall be used to fund benefits as provided
 1656 herein. Effective October 1, 2014, for noncollectively bargained
 1657 service or upon entering into a collective bargaining agreement
 1658 on or after July 1, 2014:

1659 (a) The base premium tax revenues must be used to fund
 1660 minimum benefits or other retirement benefits in excess of the
 1661 minimum benefits as determined by the municipality or special
 1662 fire control district.

1663 (b) Of the additional premium tax revenues received which
 1664 are in excess of the amount received for the 2013 calendar year,

1665 50 percent must be used to fund minimum benefits or other
 1666 retirement benefits in excess of the minimum benefits as
 1667 determined by the municipality or special fire control district,
 1668 and 50 percent must be placed in a defined contribution plan to
 1669 fund special benefits.

1670 (c) Additional premium tax revenues not described in
 1671 paragraph (b) must be used to fund benefits that are not
 1672 included in the minimum benefits. If the additional premium tax
 1673 revenues subject to this paragraph exceed the full cost of
 1674 benefits provided through the plan which are in excess of the
 1675 minimum benefits, any amount in excess of the full cost must be
 1676 used as provided in paragraph (b).

1677 (d) Any accumulations of additional premium tax revenues
 1678 which have not been applied to fund benefits in excess of the
 1679 minimum benefits may be allocated by mutual consent as provided
 1680 in paragraph (g). If such accumulations are not allocated by
 1681 mutual consent, 50 percent of the amount of the accumulations
 1682 must be used to fund special benefits and 50 percent must be
 1683 applied to fund any unfunded actuarial liabilities of the plan
 1684 to pay extra benefits to the firefighters included in that
 1685 pension plan; or

1686 ~~(b) Place the income from the premium tax in s. 175.101 in~~
 1687 ~~a separate supplemental plan to pay extra benefits to~~
 1688 ~~firefighters, or to firefighters and police officers if~~
 1689 ~~included, participating in such separate supplemental plan.~~

1690 (e) For a plan created after March 1, 2014, 50 percent of

1691 the insurance premium tax revenues must be used to fund defined
 1692 benefit plan component benefits, with the remainder used to fund
 1693 defined contribution plan component benefits.

1694 (f) If a plan offers benefits in excess of the minimum
 1695 benefits, excluding supplemental plan benefits in effect as of
 1696 September 30, 2013, such benefits may be reduced if the plan
 1697 continues to meet the minimum benefits and the minimum standards
 1698 set forth in this chapter. The amount of insurance premium tax
 1699 revenues previously used to fund benefits in excess of minimum
 1700 benefits, excluding supplemental plan benefits in effect as of
 1701 September 30, 2013, before the reduction must be used as
 1702 provided in paragraph (b). However, benefits in excess of the
 1703 minimum benefits may not be reduced if a plan does not meet the
 1704 minimum accrual rate of 2.75 percent, or greater, of the average
 1705 final compensation of a full-time firefighter.

1706 (g) Notwithstanding any other provision of this
 1707 subsection, the use of premium tax revenues, including any
 1708 accumulations of additional tax revenues which have not been
 1709 applied to fund benefits in excess of the minimum benefits, may
 1710 deviate from the provisions of this subsection by mutual consent
 1711 of the members' collective bargaining representative or, if
 1712 none, by majority consent of the firefighter members of the
 1713 fund, and by consent of the municipality or special fire control
 1714 district, provided that the plan continues to meet the minimum
 1715 benefits and minimum standards of this chapter; however, a plan
 1716 operating pursuant to the provisions of this paragraph which

1717 does not meet a minimum benefit as of October 1, 2012, may
 1718 continue to provide the benefit that does not meet the minimum
 1719 benefit at the same level, but not less than that level, as was
 1720 provided as of October 1, 2012, and all other benefit levels
 1721 must continue to meet the minimum benefits. Such mutually agreed
 1722 deviation shall continue until modified or revoked by subsequent
 1723 mutual consent of the members' collective bargaining
 1724 representative or, if none, by a majority of the firefighter
 1725 members of the fund, and the municipality or special fire
 1726 control district. A special act plan or a plan within a
 1727 supplemental plan municipality shall be considered to have
 1728 mutually consented to such deviation as of July 1, 2014,
 1729 regarding the existing arrangement on the use of premium tax
 1730 revenues.

1731 (2) The premium tax provided by this chapter shall ~~in all~~
 1732 ~~eases~~ be used in its entirety to provide retirement extra
 1733 benefits to firefighters, or to firefighters and police officers
 1734 if both are included. ~~However, local law plans in effect on~~
 1735 ~~October 1, 1998, must comply with the minimum benefit provisions~~
 1736 ~~of this chapter only to the extent that additional premium tax~~
 1737 ~~revenues become available to incrementally fund the cost of such~~
 1738 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
 1739 ~~compliance with such minimum benefit provisions, as subsequent~~
 1740 ~~additional premium tax revenues become available, they must be~~
 1741 ~~used to provide extra benefits.~~ Local law plans created by
 1742 special act before May 27, 1939, are deemed to comply with this

1743 chapter. ~~For the purpose of this chapter, the term:~~

1744 ~~(a) "Additional premium tax revenues" means revenues~~
 1745 ~~received by a municipality or special fire control district~~
 1746 ~~pursuant to s. 175.121 which exceed that amount received for~~
 1747 ~~calendar year 1997.~~

1748 ~~(b) "Extra benefits" means benefits in addition to or~~
 1749 ~~greater than those provided to general employees of the~~
 1750 ~~municipality and in addition to those in existence for~~
 1751 ~~firefighters on March 12, 1999.~~

1752 (3) A retirement plan or amendment to a retirement plan
 1753 may not be proposed for adoption unless the proposed plan or
 1754 amendment contains an actuarial estimate of the costs involved.
 1755 Such proposed plan or proposed plan change may not be adopted
 1756 without the approval of the municipality, special fire control
 1757 district, or, where required ~~permitted~~, the Legislature. Copies
 1758 of the proposed plan or proposed plan change and the actuarial
 1759 impact statement of the proposed plan or proposed plan change
 1760 shall be furnished to the division before the last public
 1761 hearing on the proposal is held ~~thereon~~. Such statement must
 1762 also indicate whether the proposed plan or proposed plan change
 1763 is in compliance with s. 14, Art. X of the State Constitution
 1764 and those provisions of part VII of chapter 112 which are not
 1765 expressly provided in this chapter. Notwithstanding any other
 1766 provision, only those local law plans created by special act of
 1767 legislation before May 27, 1939, are deemed to meet the minimum
 1768 benefits and minimum standards only in this chapter.

1769 (4) Notwithstanding any other provision, with respect to
 1770 any supplemental plan municipality:

1771 (a) A local law plan and a supplemental plan may continue
 1772 to use their definition of compensation or salary in existence
 1773 on March 12, 1999.

1774 (b) Section 175.061(1)(b) does not apply, and a local law
 1775 plan and a supplemental plan shall continue to be administered
 1776 by a board or boards of trustees numbered, constituted, and
 1777 selected as the board or boards were numbered, constituted, and
 1778 selected on December 1, 2000.

1779 ~~(c) The election set forth in paragraph (1)(b) is deemed~~
 1780 ~~to have been made.~~

1781 (5) The retirement plan setting forth the benefits and the
 1782 trust agreement, if any, covering the duties and
 1783 responsibilities of the trustees and the regulations of the
 1784 investment of funds must be in writing, and copies made
 1785 available to the participants and to the general public.

1786 (6) In addition to the defined benefit component of the
 1787 local law plan, each plan sponsor must have a defined
 1788 contribution plan component within the local law plan by October
 1789 1, 2014, for noncollectively bargained service, upon entering
 1790 into a collective bargaining agreement on or after July 1, 2014,
 1791 or upon the creation date of a new participating plan. Depending
 1792 upon the application of subsection (1), a defined contribution
 1793 component may or may not receive any funding.

1794 (7) Notwithstanding any other provision of this chapter, a

1795 municipality or special fire control district that has
 1796 implemented or proposed changes to a local law plan based on the
 1797 municipality's or district's reliance on an interpretation of
 1798 this chapter by the Department of Management Services on or
 1799 after August 14, 2012, and before March 4, 2014, may continue
 1800 the implemented changes or continue to implement proposed
 1801 changes. Such reliance must be evidenced by a written collective
 1802 bargaining proposal or agreement, or formal correspondence
 1803 between the municipality or district and the Department of
 1804 Management Services which describes the specific changes to the
 1805 local law plan, with the initial proposal, agreement, or
 1806 correspondence from the municipality or district dated before
 1807 March 4, 2014. Changes to the local law plan which are otherwise
 1808 contrary to the minimum benefits and minimum standards in this
 1809 chapter may continue in effect until the earlier of October 1,
 1810 2017, or the effective date of a collective bargaining agreement
 1811 that is contrary to the changes to the local law plan.

1812 Section 14. Subsection (2) of section 185.01, Florida
 1813 Statutes, is amended to read:

1814 185.01 Legislative declaration.—

1815 (2) This chapter hereby establishes, for all municipal
 1816 pension plans ~~now or hereinafter~~ provided for under this
 1817 chapter, including chapter plans and local law plans, minimum
 1818 benefits and minimum standards for the operation and funding of
 1819 such plans, hereinafter referred to as municipal police
 1820 officers' retirement trust funds, which must be met as

1821 conditions precedent to the plans or plan sponsors receiving a
 1822 distribution of insurance premium tax revenues under s. 185.10.
 1823 The minimum benefits and minimum standards for each plan as set
 1824 forth in this chapter may not be diminished by local ordinance
 1825 or by special act of the Legislature and may not, ~~nor may the~~
 1826 ~~minimum benefits or minimum standards~~ be reduced or offset by
 1827 any other local, state, or federal plan that includes ~~may~~
 1828 ~~include~~ police officers in its operation, except as provided
 1829 under s. 112.65.

1830 Section 15. Section 185.02, Florida Statutes, is amended
 1831 to read:

1832 185.02 Definitions.—For any municipality, chapter plan,
 1833 local law municipality, or local law plan under this chapter,
 1834 the term following words and phrases as used in this chapter
 1835 ~~shall have the following meanings, unless a different meaning is~~
 1836 ~~plainly required by the context:~~

1837 (1) "Additional premium tax revenues" means revenues
 1838 received by a municipality pursuant to s. 185.10 which exceed
 1839 base premium tax revenues.

1840 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
 1841 the average annual compensation of the 5 best years of the last
 1842 10 years of creditable service prior to retirement, termination,
 1843 or death.

1844 (3) "Base premium tax revenues" means the revenues
 1845 received by a municipality pursuant to s. 185.10 for the
 1846 calendar year 1997.

1847 (4)~~(2)~~ "Casualty insurance" means automobile public
 1848 liability and property damage insurance to be applied at the
 1849 place of residence of the owner, or if the subject is a
 1850 commercial vehicle, to be applied at the place of business of
 1851 the owner; automobile collision insurance; fidelity bonds;
 1852 burglary and theft insurance; and plate glass insurance. The
 1853 term "multiple peril" means a combination or package policy that
 1854 includes both property coverage and casualty coverage for a
 1855 single premium.

1856 (5)~~(3)~~ "Chapter plan" means a separate defined benefit
 1857 pension plan for police officers which incorporates by reference
 1858 the provisions of this chapter and has been adopted by the
 1859 governing body of a municipality as provided in s. 185.08.
 1860 Except as ~~may be~~ specifically authorized in this chapter, the
 1861 provisions of a chapter plan may not differ from the plan
 1862 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
 1863 185.39. Actuarial valuations of chapter plans shall be conducted
 1864 by the division as provided by s. 185.221(1)(b).

1865 (6)~~(4)~~ "Compensation" or "salary" means, for
 1866 noncollectively bargained service earned before July 1, 2011, or
 1867 for service earned under collective bargaining agreements in
 1868 place before July 1, 2011, the total cash remuneration including
 1869 "overtime" paid by the primary employer to a police officer for
 1870 services rendered, but not including any payments for extra duty
 1871 or special detail work performed on behalf of a second party
 1872 employer. Overtime may be limited prior to July 1, 2011, in a

1873 local law plan by the plan provisions. ~~A local law plan may~~
 1874 ~~limit the amount of overtime payments which can be used for~~
 1875 ~~retirement benefit calculation purposes; however, such overtime~~
 1876 ~~limit may not be less than 300 hours per officer per calendar~~
 1877 ~~year.~~ For noncollectively bargained service earned on or after
 1878 July 1, 2011, or for service earned under collective bargaining
 1879 agreements entered into on or after July 1, 2011, the term has
 1880 the same meaning except that when calculating retirement
 1881 benefits, up to 300 hours per year in overtime compensation may
 1882 be included as specified in the plan or collective bargaining
 1883 agreement, but payments for accrued unused sick or annual leave
 1884 may not be included.

1885 (a) Any retirement trust fund or plan that meets the
 1886 requirements of this chapter does not, solely by virtue of this
 1887 subsection, reduce or diminish the monthly retirement income
 1888 otherwise payable to each police officer covered by the
 1889 retirement trust fund or plan.

1890 (b) The member's compensation or salary contributed as
 1891 employee-elective salary reductions or deferrals to any salary
 1892 reduction, deferred compensation, or tax-sheltered annuity
 1893 program authorized under the Internal Revenue Code shall be
 1894 deemed to be the compensation or salary the member would receive
 1895 if he or she were not participating in such program and shall be
 1896 treated as compensation for retirement purposes under this
 1897 chapter.

1898 (c) For any person who first becomes a member in any plan

1899 year beginning on or after January 1, 1996, compensation for
 1900 that plan year may not include any amounts in excess of the
 1901 Internal Revenue Code s. 401(a)(17) limitation, as amended by
 1902 the Omnibus Budget Reconciliation Act of 1993, which limitation
 1903 of \$150,000 shall be adjusted as required by federal law for
 1904 qualified government plans and ~~shall be~~ further adjusted for
 1905 changes in the cost of living in the manner provided by Internal
 1906 Revenue Code s. 401(a)(17)(B). For any person who first became a
 1907 member before the first plan year beginning on or after January
 1908 1, 1996, the limitation on compensation may not be less than the
 1909 maximum compensation amount that was allowed to be taken into
 1910 account under the plan ~~as~~ in effect on July 1, 1993, which
 1911 limitation shall be adjusted for changes in the cost of living
 1912 since 1989 in the manner provided by Internal Revenue Code s.
 1913 401(a)(17)(1991).

1914 (7)~~(5)~~ "Creditable service" or "credited service" means
 1915 the aggregate number of years of service and fractional parts of
 1916 years of service of any police officer, omitting intervening
 1917 years and fractional parts of years when such police officer may
 1918 not have been employed by the municipality subject to the
 1919 following conditions:

1920 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
 1921 years or fractional parts of years of service if he or she has
 1922 withdrawn his or her contributions to the fund for those years
 1923 or fractional parts of years of service, unless the police
 1924 officer repays into the fund the amount he or she has withdrawn,

1925 plus interest as determined by the board. The member has ~~shall~~
 1926 ~~have~~ at least 90 days after his or her reemployment to make
 1927 repayment.

1928 (b) A police officer may voluntarily leave his or her
 1929 contributions in the fund for ~~a period of~~ 5 years after leaving
 1930 the employ of the police department, pending the possibility of
 1931 his or her being rehired by the same department, without losing
 1932 credit for the time he or she has participated actively as a
 1933 police officer. If he or she is not reemployed as a police
 1934 officer with the same department within 5 years, his or her
 1935 contributions shall be returned ~~to him or her~~ without interest.

1936 (c) Credited service under this chapter shall be provided
 1937 only for service as a police officer, ~~as defined in subsection~~
 1938 ~~(11)~~, or for military service and may not include credit for any
 1939 other type of service. A municipality ~~may~~, by local ordinance,
 1940 may provide for the purchase of credit for military service
 1941 occurring before employment as well as prior service as a police
 1942 officer for some other employer as long as the police officer is
 1943 not entitled to receive a benefit for such ~~other~~ prior service
 1944 ~~as a police officer~~. For purposes of determining credit for
 1945 prior service, in addition to service as a police officer in
 1946 this state, credit may be given for federal, other state, or
 1947 county service as long as such service is recognized by the
 1948 Criminal Justice Standards and Training Commission within the
 1949 Department of Law Enforcement as provided in ~~under~~ chapter 943
 1950 or the police officer provides proof to the board of trustees

1951 that such service is equivalent to the service required to meet
 1952 the definition of a police officer under subsection (16) ~~(11)~~.

1953 (d) In determining the creditable service of a ~~any~~ police
 1954 officer, credit for up to 5 years of the time spent in the
 1955 military service of the Armed Forces of the United States shall
 1956 be added to the years of actual service, if:

1957 1. The police officer is in the active employ of the
 1958 municipality before ~~prior to~~ such service and leaves a position,
 1959 other than a temporary position, for the purpose of voluntary or
 1960 involuntary service in the Armed Forces of the United States.

1961 2. The police officer is entitled to reemployment under
 1962 ~~the provisions of~~ the Uniformed Services Employment and
 1963 Reemployment Rights Act.

1964 3. The police officer returns to his or her employment as
 1965 a police officer of the municipality within 1 year after ~~from~~
 1966 the date of his or her release from such active service.

1967 (8) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
 1968 local law plan retirement option in which a police officer may
 1969 elect to participate. A police officer may retire for all
 1970 purposes of the plan and defer receipt of retirement benefits
 1971 into a DROP account while continuing employment with his or her
 1972 employer. However, a police officer who enters ~~the~~ DROP and who
 1973 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
 1974 precluded from participation or continued participation
 1975 ~~participating, or continuing to participate,~~ in a supplemental
 1976 plan in existence on, or created after, March 12, 1999 ~~the~~

1977 ~~effective date of this act.~~

1978 (9) "Defined contribution plan" means the component of a
 1979 local law plan, as provided in s. 185.35(1), to which deposits,
 1980 if any, are made to provide benefits for police officers, or for
 1981 police officers and firefighters if both are included. Such
 1982 component is an element of a local law plan and exists in
 1983 conjunction with the defined benefit component that meets the
 1984 minimum benefits and minimum standards of this chapter. The
 1985 retirement benefits, if any, of the defined contribution plan
 1986 shall be provided through individual member accounts in
 1987 accordance with the applicable provisions of the Internal
 1988 Revenue Code and related regulations and are limited to the
 1989 contributions, if any, made into each member's account and the
 1990 actual accumulated earnings, net of expenses, earned on the
 1991 member's account.

1992 ~~(10)-(7)~~ "Division" means the Division of Retirement of the
 1993 Department of Management Services.

1994 ~~(11)-(8)~~ "Enrolled actuary" means an actuary who is
 1995 enrolled under Subtitle C of Title III of the Employee
 1996 Retirement Income Security Act of 1974 and who is a member of
 1997 the Society of Actuaries or the American Academy of Actuaries.

1998 ~~(12)-(9)~~ "Local law municipality" means ~~is~~ any municipality
 1999 in which ~~there exists~~ a local law plan exists.

2000 ~~(13)-(10)~~ "Local law plan" means a retirement defined
 2001 benefit pension plan, which includes both a defined benefit plan
 2002 component and a defined contribution plan component, for police

2003 officers, or for police officers and firefighters if both are,
 2004 ~~where~~ included, as described in s. 185.35, established by
 2005 municipal ordinance or special act of the Legislature, which
 2006 ~~enactment~~ sets forth all plan provisions. Local law plan
 2007 provisions may vary from the provisions of this chapter if the,
 2008 ~~provided that required~~ minimum benefits and minimum standards of
 2009 this chapter are met. However, any such variance must shall
 2010 provide a greater benefit for police officers. Actuarial
 2011 valuations of local law plans shall be conducted by an enrolled
 2012 actuary as provided in s. 185.221(2)(b).

2013 (14) "Minimum benefits" means the benefits set forth in
 2014 ss. 185.01-185.341 and ss. 185.37-185.50.

2015 (15) "Minimum standards" means the standards set forth in
 2016 ss. 185.01-185.341 and ss. 185.37-185.50.

2017 (16) ~~(11)~~ "Police officer" means any person who is elected,
 2018 appointed, or employed full time by a ~~any~~ municipality, who is
 2019 certified or required to be certified as a law enforcement
 2020 officer in compliance with s. 943.1395, who is vested with
 2021 authority to bear arms and make arrests, and whose primary
 2022 responsibility is the prevention and detection of crime or the
 2023 enforcement of the penal, criminal, traffic, or highway laws of
 2024 the state. The term ~~This definition~~ includes all certified
 2025 supervisory and command personnel whose duties include, in whole
 2026 or in part, the supervision, training, guidance, and management
 2027 responsibilities of full-time law enforcement officers, part-
 2028 time law enforcement officers, or auxiliary law enforcement

2029 officers, but does not include part-time law enforcement
 2030 officers or auxiliary law enforcement officers as those terms
 2031 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For
 2032 the purposes of this chapter only, the term also includes
 2033 ~~"police officer"~~ also shall include a public safety officer who
 2034 is responsible for performing both police and fire services. Any
 2035 plan may provide that the police chief shall have an option to
 2036 participate, ~~or not,~~ in that plan.

2037 (17)~~(12)~~ "Police Officers' Retirement Trust Fund" means a
 2038 trust fund, by whatever name known, as provided under s. 185.03
 2039 for the purpose of assisting municipalities in establishing and
 2040 maintaining a retirement plan for police officers.

2041 (18)~~(13)~~ "Retiree" or "retired police officer" means a
 2042 police officer who has entered retirement status. For the
 2043 purposes of a plan that includes a Deferred Retirement Option
 2044 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
 2045 considered a retiree for all purposes of the plan. However, a
 2046 police officer who enters ~~the~~ DROP and who is otherwise eligible
 2047 to participate may ~~shall~~ not ~~thereby~~ be precluded from
 2048 participating, or continuing to participate, in a supplemental
 2049 plan in existence on, or created after, March 12, 1999 ~~the~~
 2050 ~~effective date of this act.~~

2051 (19)~~(14)~~ "Retirement" means a police officer's separation
 2052 from municipal ~~city~~ employment as a police officer with
 2053 immediate eligibility for ~~receipt of~~ benefits under the plan.
 2054 For purposes of a plan that includes a Deferred Retirement

2055 Option Plan (DROP), "retirement" means the date a police officer
 2056 enters the DROP.

2057 (20) "Special act plan" means a plan subject to the
 2058 provisions of this chapter which was created by an act of the
 2059 Legislature and continues to require an act of the Legislature
 2060 to alter plan benefits.

2061 (21) "Special benefits" means benefits provided in a
 2062 defined contribution plan for police officers.

2063 (22)-(15) "Supplemental plan" means a plan to which
 2064 deposits of the premium tax moneys as provided in s. 185.08 are
 2065 made to provide extra benefits to police officers, or police
 2066 officers and firefighters if both are where included, under this
 2067 chapter. Such a plan is an element of a local law plan and
 2068 exists in conjunction with a defined benefit component plan that
 2069 meets the minimum benefits and minimum standards of this
 2070 chapter. Any supplemental plan in existence on March 1, 2014,
 2071 shall be deemed to be a defined contribution plan in compliance
 2072 with s. 185.35(6).

2073 (23)-(16) "Supplemental plan municipality" means a any
 2074 local law municipality in which there existed a supplemental
 2075 plan existed as of December 1, 2000.

2076 Section 16. Subsection (6) of section 185.06, Florida
 2077 Statutes, is amended to read:

2078 185.06 General powers and duties of board of trustees.—For
 2079 any municipality, chapter plan, local law municipality, or local
 2080 law plan under this chapter:

2081 (6) To assist the board in meeting its responsibilities
 2082 under this chapter, the board, if it so elects, may:

2083 (a) Employ independent legal counsel at the pension fund's
 2084 expense.

2085 (b) Employ an independent enrolled actuary, as defined in
 2086 s. 185.02~~(8)~~, at the pension fund's expense.

2087 (c) Employ such independent professional, technical, or
 2088 other advisers as it deems necessary at the pension fund's
 2089 expense.

2090

2091 If the board chooses to use the municipality's or special
 2092 district's legal counsel or actuary, or chooses to use any of
 2093 the municipality's other professional, technical, or other
 2094 advisers, it must do so only under terms and conditions
 2095 acceptable to the board.

2096 Section 17. Paragraph (d) of subsection (1) of section
 2097 185.07, Florida Statutes, is amended to read:

2098 185.07 Creation and maintenance of fund.—For any
 2099 municipality, chapter plan, local law municipality, or local law
 2100 plan under this chapter:

2101 (1) The municipal police officers' retirement trust fund
 2102 in each municipality described in s. 185.03 shall be created and
 2103 maintained in the following manner:

2104 (d) By payment by the municipality or other sources of a
 2105 sum equal to the normal cost and the amount required to fund any
 2106 actuarial deficiency shown by an actuarial valuation conducted

2107 under ~~as provided in~~ part VII of chapter 112 after taking into
 2108 account the amounts described in paragraphs (b), (c), (e), (f),
 2109 and (g) and the tax proceeds described in paragraph (a) which
 2110 are used to fund defined benefit plan benefits.

2111
 2112 Nothing in this section shall be construed to require adjustment
 2113 of member contribution rates in effect on the date this act
 2114 becomes a law, including rates that exceed 5 percent of salary,
 2115 provided that such rates are at least one-half of 1 percent of
 2116 salary.

2117 Section 18. Subsection (2) of section 185.16, Florida
 2118 Statutes, is amended to read:

2119 185.16 Requirements for retirement.—For any municipality,
 2120 chapter plan, local law municipality, or local law plan under
 2121 this chapter, any police officer who completes 10 or more years
 2122 of creditable service as a police officer and attains age 55, or
 2123 completes 25 years of creditable service as a police officer and
 2124 attains age 52, and for such period has been a member of the
 2125 retirement fund is eligible for normal retirement benefits.

2126 Normal retirement under the plan is retirement from the service
 2127 of the city on or after the normal retirement date. In such
 2128 event, for chapter plans and local law plans, payment of
 2129 retirement income will be governed by the following provisions
 2130 of this section:

2131 (2) (a) The amount of the monthly retirement income payable
 2132 to a police officer who retires on or after his or her normal

2133 retirement date shall be an amount equal to the number of the
 2134 police officer's years of credited service multiplied by 2.75 ~~2~~
 2135 percent of his or her average final compensation. ~~However, if~~
 2136 ~~current state contributions pursuant to this chapter are not~~
 2137 ~~adequate to fund the additional benefits to meet the minimum~~
 2138 ~~requirements in this chapter, only increment increases shall be~~
 2139 ~~required as state moneys are adequate to provide. Such~~
 2140 ~~increments shall be provided as state moneys become available.~~

2141 (b) Effective July 1, 2014, a plan that is in compliance
 2142 with this chapter except that the plan provides a benefit that
 2143 is less than 2.75 percent of the average final compensation of a
 2144 police officer must maintain, at a minimum, the percentage
 2145 amount in effect on July 1, 2014, and is not required to
 2146 increase the benefit to 2.75 percent of the average final
 2147 compensation of a police officer.

2148 (c) Effective July 1, 2014, a plan that is in compliance
 2149 with this chapter except that the plan provides a benefit that
 2150 is less than 2.75 percent of the average final compensation of a
 2151 police officer and that changes its accrual rate to 2.75
 2152 percent, or greater, of the average final compensation of a
 2153 police officer may not thereafter decrease the accrual rate to
 2154 less than 2.75 percent of the average final compensation of a
 2155 police officer.

2156 Section 19. Section 185.35, Florida Statutes, is amended
 2157 to read:

2158 185.35 Municipalities that have ~~having~~ their own

2159 retirement pension plans for police officers. ~~For any~~
 2160 ~~municipality, chapter plan, local law municipality, or local law~~
 2161 ~~plan under this chapter,~~ In order for a municipality that has
 2162 its municipalities with their own retirement plan pension plans
 2163 for police officers, or for police officers and firefighters if
 2164 both are included, to participate in the distribution of the tax
 2165 fund established under ~~pursuant to~~ s. 185.08, a local law plan
 2166 ~~plans~~ must meet the minimum benefits and minimum standards set
 2167 forth in this chapter:

2168 (1) If a municipality has a retirement pension plan for
 2169 police officers, or for police officers and firefighters if both
 2170 are included, which, in the opinion of the division, meets the
 2171 minimum benefits and minimum standards set forth in this
 2172 chapter, the board of trustees of the pension plan must, ~~as~~
 2173 ~~approved by a majority of police officers of the municipality,~~
 2174 ~~may:~~

2175 ~~(a)~~ place the income from the premium tax in s. 185.08 in
 2176 such ~~pension~~ plan for the sole and exclusive use of its police
 2177 officers, or its police officers and firefighters if both are
 2178 included, where it shall become an integral part of that ~~pension~~
 2179 plan and ~~shall~~ be used to fund benefits as provided herein.
 2180 Effective October 1, 2014, for noncollectively bargained service
 2181 or upon entering into a collective bargaining agreement on or
 2182 after July 1, 2014:

2183 (a) The base premium tax revenues must be used to fund
 2184 minimum benefits or other retirement benefits in excess of the

2185 minimum benefits as determined by the municipality.

2186 (b) Of the additional premium tax revenues received which
 2187 are in excess of the amount received for the 2013 calendar year,
 2188 50 percent must be used to fund minimum benefits or other
 2189 retirement benefits in excess of the minimum benefits as
 2190 determined by the municipality, and 50 percent must be placed in
 2191 a defined contribution plan to fund special benefits.

2192 (c) Additional premium tax revenues not described in
 2193 paragraph (b) must be used to fund benefits that are not
 2194 included in the minimum benefits. If the additional premium tax
 2195 revenues subject to this paragraph exceed the full cost of
 2196 benefits provided through the plan which are in excess of the
 2197 minimum benefits, any amount in excess of the full cost must be
 2198 used as provided in paragraph (b).

2199 (d) Any accumulations of additional premium tax revenues
 2200 which have not been applied to fund benefits in excess of the
 2201 minimum benefits may be allocated by mutual consent as provided
 2202 in paragraph (g). If such accumulations are not allocated by
 2203 mutual consent, 50 percent of the amount of the accumulations
 2204 must be used to fund special benefits and 50 percent must be
 2205 applied to fund any unfunded actuarial liabilities of the plan
 2206 ~~pay extra benefits to the police officers included in that~~
 2207 ~~pension plan; or~~

2208 ~~(b) May place the income from the premium tax in s. 185.08~~
 2209 ~~in a separate supplemental plan to pay extra benefits to the~~
 2210 ~~police officers, or police officers and firefighters if~~

2211 ~~included, participating in such separate supplemental plan.~~

2212 (e) For a plan created after March 1, 2014, 50 percent of
 2213 the insurance premium tax revenues shall be used to fund defined
 2214 benefit plan component benefits, with the remainder used to fund
 2215 defined contribution plan component benefits.

2216 (f) If a plan offers benefits in excess of the minimum
 2217 benefits, excluding supplemental plan benefits in effect as of
 2218 September 30, 2013, such benefits may be reduced if the plan
 2219 continues to meet the minimum benefits and the minimum standards
 2220 set forth in this chapter. The amount of insurance premium tax
 2221 revenues previously used to fund benefits in excess of the
 2222 minimum benefits, excluding supplemental plan benefits in effect
 2223 as of September 30, 2013, before the reduction must be used as
 2224 provided in paragraph (b). However, benefits in excess of the
 2225 minimum benefits may not be reduced if a plan does not meet the
 2226 minimum accrual rate of 2.75 percent, or greater, of the average
 2227 final compensation of a police officer.

2228 (g) Notwithstanding any other provisions of this
 2229 subsection, the use of premium tax revenues, including any
 2230 accumulations of additional tax revenues which have not been
 2231 applied to fund benefits in excess of the minimum benefits, may
 2232 deviate from the provisions of this subsection by mutual consent
 2233 of the members' collective bargaining representative or, if
 2234 none, by majority consent of the police officer members of the
 2235 fund, and by consent of the municipality, provided that the plan
 2236 continues to meet the minimum benefits and minimum standards of

2237 this chapter; however, a plan operating pursuant to the
 2238 provisions of this paragraph which does not meet a minimum
 2239 benefit as of October 1, 2012, may continue to provide the
 2240 benefit that does not meet the minimum benefit at the same
 2241 level, but not less than that level, as was provided as of
 2242 October 1, 2012, and all other benefits must continue to meet
 2243 the minimum benefits. Such mutually agreed deviation shall
 2244 continue until modified or revoked by subsequent mutual consent
 2245 of the members' collective bargaining representative or, if
 2246 none, by a majority of the police officer members of the fund,
 2247 and the municipality. A special act plan or a plan within a
 2248 supplemental plan municipality shall be considered to have
 2249 mutually consented to such deviation as of July 1 ,2014,
 2250 regarding the existing arrangement on the use of premium tax
 2251 revenues.

2252 (2) The premium tax provided by this chapter shall ~~in all~~
 2253 ~~eases~~ be used in its entirety to provide retirement extra
 2254 benefits to police officers, or to police officers and
 2255 firefighters if both are included. However, ~~local law plans in~~
 2256 ~~effect on October 1, 1998, must comply with the minimum benefit~~
 2257 ~~provisions of this chapter only to the extent that additional~~
 2258 ~~premium tax revenues become available to incrementally fund the~~
 2259 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
 2260 ~~is in compliance with such minimum benefit provisions, as~~
 2261 ~~subsequent additional tax revenues become available, they shall~~
 2262 ~~be used to provide extra benefits.~~ Local law plans created by

2263 special act before May 27, 1939, shall be deemed to comply with
 2264 this chapter. ~~For the purpose of this chapter, the term:~~

2265 ~~(a) "Additional premium tax revenues" means revenues~~
 2266 ~~received by a municipality pursuant to s. 185.10 which exceed~~
 2267 ~~the amount received for calendar year 1997.~~

2268 ~~(b) "Extra benefits" means benefits in addition to or~~
 2269 ~~greater than those provided to general employees of the~~
 2270 ~~municipality and in addition to those in existence for police~~
 2271 ~~officers on March 12, 1999.~~

2272 (3) A retirement plan or amendment to a retirement plan
 2273 may not be proposed for adoption unless the proposed plan or
 2274 amendment contains an actuarial estimate of the costs involved.
 2275 Such proposed plan or proposed plan change may not be adopted
 2276 without the approval of the municipality or, where required
 2277 ~~permitted~~, the Legislature. Copies of the proposed plan or
 2278 proposed plan change and the actuarial impact statement of the
 2279 proposed plan or proposed plan change shall be furnished to the
 2280 division before the last public hearing on the proposal is held
 2281 ~~thereon~~. Such statement must also indicate whether the proposed
 2282 plan or proposed plan change is in compliance with s. 14, Art. X
 2283 of the State Constitution and those provisions of part VII of
 2284 chapter 112 which are not expressly provided in this chapter.
 2285 Notwithstanding any other provision, only those local law plans
 2286 created by special act of legislation before May 27, 1939, are
 2287 deemed to meet the minimum benefits and minimum standards only
 2288 in this chapter.

2289 (4) Notwithstanding any other provision, with respect to
 2290 any supplemental plan municipality:

2291 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and
 2292 a local law plan and a supplemental plan may continue to use
 2293 their definition of compensation or salary in existence on March
 2294 12, 1999.

2295 (b) A local law plan and a supplemental plan must continue
 2296 to be administered by a board or boards of trustees numbered,
 2297 constituted, and selected as the board or boards were numbered,
 2298 constituted, and selected on December 1, 2000.

2299 ~~(c) The election set forth in paragraph (1)(b) is deemed~~
 2300 ~~to have been made.~~

2301 (5) The retirement plan setting forth the benefits and the
 2302 trust agreement, if any, covering the duties and
 2303 responsibilities of the trustees and the regulations of the
 2304 investment of funds must be in writing and copies made available
 2305 to the participants and to the general public.

2306 (6) In addition to the defined benefit component of the
 2307 local law plan, each plan sponsor must have a defined
 2308 contribution plan component within the local law plan by October
 2309 1, 2014, upon entering into a collective bargaining agreement on
 2310 or after July 1, 2014, or upon the creation date of a new
 2311 participating plan. Depending upon the application of subsection
 2312 (1), a defined contribution component may or may not receive any
 2313 funding.

2314 (7) Notwithstanding any other provision of this chapter, a

2315 municipality that has implemented or proposed changes to a local
 2316 law plan based on the municipality's reliance on an
 2317 interpretation of this chapter by the Department of Management
 2318 Services on or after August 14, 2012, and before March 4, 2014,
 2319 may continue the implemented changes or continue to implement
 2320 proposed changes. Such reliance must be evidenced by a written
 2321 collective bargaining proposal or agreement, or formal
 2322 correspondence between the municipality and the Department of
 2323 Management Services which describes the specific changes to the
 2324 local law plan, with the initial proposal, agreement, or
 2325 correspondence from the municipality dated before March 4, 2014.
 2326 Changes to the local law plan which are otherwise contrary to
 2327 the minimum benefits and minimum standards of this chapter may
 2328 continue in effect until the earlier of October 1, 2017, or the
 2329 effective date of a collective bargaining agreement that is
 2330 contrary to the changes to the local law plan.

2331 Section 20. Section 238.072, Florida Statutes, is amended
 2332 to read:

2333 238.072 Special service provisions for extension
 2334 personnel.—All state and county cooperative extension personnel
 2335 holding appointments by the United States Department of
 2336 Agriculture for extension work in agriculture and home economics
 2337 in this state who are joint representatives of the University of
 2338 Florida and the United States Department of Agriculture, as
 2339 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the
 2340 Teachers' Retirement System, chapter 238, and who are prohibited

2341 from transferring to and participating in the Florida Retirement
 2342 System, chapter 121, may retire with full benefits upon
 2343 completion of 30 years of creditable service and shall be
 2344 considered to have attained normal retirement age under this
 2345 chapter, any law to the contrary notwithstanding. In order to
 2346 comply with the provisions of s. 14, Art. X of the State
 2347 Constitution, any liability accruing to the Florida Retirement
 2348 System Trust Fund as a result of the provisions of this section
 2349 shall be paid on an annual basis from the General Revenue Fund.

2350 Section 21. Subsection (11) of section 413.051, Florida
 2351 Statutes, is amended to read:

2352 413.051 Eligible blind persons; operation of vending
 2353 stands.—

2354 (11) Effective July 1, 1996, blind licensees who remain
 2355 members of the Florida Retirement System pursuant to s.
 2356 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
 2357 retirement costs from their net profits or from program income.
 2358 Within 30 days after the effective date of this act, each blind
 2359 licensee who is eligible to maintain membership in the Florida
 2360 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
 2361 who elects to withdraw from the system as provided in s.
 2362 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
 2363 1996, notify the Division of Blind Services and the Department
 2364 of Management Services in writing of his or her election to
 2365 withdraw. Failure to timely notify the divisions shall be deemed
 2366 a decision to remain a compulsory member of the Florida

2367 Retirement System. However, if, at any time after July 1, 1996,
 2368 sufficient funds are not paid by a blind licensee to cover the
 2369 required contribution to the Florida Retirement System, that
 2370 blind licensee shall become ineligible to participate in the
 2371 Florida Retirement System on the last day of the first month for
 2372 which no contribution is made or the amount contributed is
 2373 insufficient to cover the required contribution. For any blind
 2374 licensee who becomes ineligible to participate in the Florida
 2375 Retirement System as described in this subsection, no creditable
 2376 service shall be earned under the Florida Retirement System for
 2377 any period following the month that retirement contributions
 2378 ceased to be reported. However, any such person may participate
 2379 in the Florida Retirement System in the future if employed by a
 2380 participating employer in a covered position.

2381 Section 22. The Legislature finds that a proper and
 2382 legitimate state purpose is served when employees and retirees
 2383 of the state and its political subdivisions, and the dependents,
 2384 survivors, and beneficiaries of such employees and retirees, are
 2385 extended the basic protections afforded by governmental
 2386 retirement systems. These persons must be provided benefits that
 2387 are fair and adequate and that are managed, administered, and
 2388 funded in an actuarially sound manner, as required by s. 14,
 2389 Article X of the State Constitution and part VII of chapter 112,
 2390 Florida Statutes. Therefore, the Legislature determines and
 2391 declares that this act fulfills an important state interest.

2392 Section 23. This act shall take effect July 1, 2014.

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

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

1 Committee/Subcommittee hearing PCB: State Affairs Committee
 2 Representative Boyd offered the following:

Amendment (with title amendment)

5 Remove lines 211-797 and insert:

6 Section 4. Subsections (3) and (5) of section 121.053,
7 Florida Statutes, are amended to read:

8 121.053 Participation in the Elected Officers' Class for
9 retired members.-

10 (3) On or after July 1, 2010:

11 (a) A retiree of a state-administered retirement system
 12 who is initially reemployed in ~~elected or appointed for the~~
 13 ~~first time~~ to an elective office in a regularly established
 14 position with a covered employer may not reenroll in the Florida
 15 Retirement System, except as provided in s. 121.122.

16 (b) An elected officer who is elected or appointed to an
 17 elective office and is participating in the Deferred Retirement

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18 Option Program is subject to termination as defined in s.
19 121.021 upon completion of his or her DROP participation period.
20 An elected official may defer termination as provided in
21 subsection (7).

22 (5) A Any renewed member, as described in s. 121.122(1),
23 (3), (4), or (5) ~~subsection (1) or subsection (2)~~, who is not
24 receiving the maximum health insurance subsidy provided in s.
25 112.363 is entitled to earn additional credit toward the maximum
26 health insurance subsidy. Any additional subsidy due because of
27 such additional credit may be received only at the time of
28 payment of the second career retirement benefit. The total
29 health insurance subsidy received from initial and renewed
30 membership may not exceed the maximum allowed in s. 112.363.

31 Section 5. Paragraph (f) of subsection (1) and paragraph
32 (c) of subsection (6) of section 121.055, Florida Statutes, are
33 amended to read:

34 121.055 Senior Management Service Class.—There is hereby
35 established a separate class of membership within the Florida
36 Retirement System to be known as the "Senior Management Service
37 Class," which shall become effective February 1, 1987.

38 (1)

39 (f) Effective July 1, 1997, through June 30, 2015:

40 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
41 4., an elected state officer eligible for membership in the
42 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
43 elects membership in the Senior Management Service Class under

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44 s. 121.052(3)(c) may, within 6 months after assuming office or
45 within 6 months after this act becomes a law for serving elected
46 state officers, elect to participate in the Senior Management
47 Service Optional Annuity Program, as provided in subsection (6),
48 in lieu of membership in the Senior Management Service Class.

49 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
50 4., an elected officer of a local agency employer eligible for
51 membership in the Elected Officers' Class under s. 121.052(2)(d)
52 who elects membership in the Senior Management Service Class
53 under s. 121.052(3)(c) may, within 6 months after assuming
54 office, or within 6 months after this act becomes a law for
55 serving elected officers of a local agency employer, elect to
56 withdraw from the Florida Retirement System, as provided in
57 subparagraph (b)2., in lieu of membership in the Senior
58 Management Service Class.

59 3. A retiree of a state-administered retirement system who
60 is initially reemployed in a regularly established position on
61 or after July 1, 2010, through December 31, 2014, as an elected
62 official eligible for the Elected Officers' Class may not be
63 enrolled in renewed membership in the Senior Management Service
64 Class or in the Senior Management Service Optional Annuity
65 Program as provided in subsection (6), and may not withdraw from
66 the Florida Retirement System as a renewed member as provided in
67 subparagraph (b)2., as applicable, in lieu of membership in the
68 Senior Management Service Class. Effective January 1, 2015, a
69 retiree of the Senior Management Service Optional Annuity

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70 Program who retired before July 1, 2010, and is reemployed in a
71 regularly established position with a covered employer shall be
72 enrolled as a renewed member as provided in s. 121.122.

73 4. On or after July 1, 2015, an elected official eligible
74 for membership in the Elected Officers' Class may not enroll in
75 the Senior Management Service Class or in the Senior Management
76 Service Optional Annuity Program as provided in subsection (6).

77 (6)

78 (c) *Participation.*—

79 1. An eligible employee who is employed on or before
80 February 1, 1987, may elect to participate in the optional
81 annuity program in lieu of participating in the Senior
82 Management Service Class. Such election must be made in writing
83 and filed with the department and the personnel officer of the
84 employer on or before May 1, 1987. An eligible employee who is
85 employed on or before February 1, 1987, and who fails to make an
86 election to participate in the optional annuity program by May
87 1, 1987, shall be deemed to have elected membership in the
88 Senior Management Service Class.

89 2. Except as provided in subparagraph 6., an employee who
90 becomes eligible to participate in the optional annuity program
91 by reason of initial employment commencing after February 1,
92 1987, may, within 90 days after the date of commencing
93 employment, elect to participate in the optional annuity
94 program. Such election must be ~~made~~ made in writing and filed with
95 the personnel officer of the employer. An eligible employee who

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96 does not within 90 days after commencing employment elect to
97 participate in the optional annuity program shall be deemed to
98 have elected membership in the Senior Management Service Class.

99 3. A person who is appointed to a position in the Senior
100 Management Service Class and who is a member of an existing
101 retirement system or the Special Risk or Special Risk
102 Administrative Support Classes of the Florida Retirement System
103 may elect to remain in such system or class in lieu of
104 participating in the Senior Management Service Class or optional
105 annuity program. Such election must be made in writing and filed
106 with the department and the personnel officer of the employer
107 within 90 days after such appointment. An eligible employee who
108 fails to make an election to participate in the existing system,
109 the Special Risk Class of the Florida Retirement System, the
110 Special Risk Administrative Support Class of the Florida
111 Retirement System, or the optional annuity program shall be
112 deemed to have elected membership in the Senior Management
113 Service Class.

114 4. Except as provided in subparagraph 5., an employee's
115 election to participate in the optional annuity program is
116 irrevocable if the employee continues to be employed in an
117 eligible position and continues to meet the eligibility
118 requirements set forth in this paragraph.

119 5. Effective from July 1, 2002, through September 30,
120 2002, an active employee in a regularly established position who
121 has elected to participate in the Senior Management Service

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122 Optional Annuity Program has one opportunity to choose to move
123 from the Senior Management Service Optional Annuity Program to
124 the Florida Retirement System Pension Plan.

125 a. The election must be made in writing and must be filed
126 with the department and the personnel officer of the employer
127 before October 1, 2002, or, in the case of an active employee
128 who is on a leave of absence on July 1, 2002, within 90 days
129 after the conclusion of the leave of absence. This election is
130 irrevocable.

131 b. The employee shall receive service credit under the
132 pension plan equal to his or her years of service under the
133 Senior Management Service Optional Annuity Program. The cost for
134 such credit is the amount representing the present value of that
135 employee's accumulated benefit obligation for the affected
136 period of service.

137 c. The employee must transfer the total accumulated
138 employer contributions and earnings on deposit in his or her
139 Senior Management Service Optional Annuity Program account. If
140 the transferred amount is not sufficient to pay the amount due,
141 the employee must pay a sum representing the remainder of the
142 amount due. The employee may not retain any employer
143 contributions or earnings from the Senior Management Service
144 Optional Annuity Program account.

145 6. A retiree of a state-administered retirement system who
146 is initially reemployed on ~~or after~~ July 1, 2010, through
147 December 31, 2014, may not renew membership in the Senior

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148 Management Service Optional Annuity Program. Effective January
149 1, 2015, a retiree of the Senior Management Service Optional
150 Annuity Program who retired before July 1, 2010, and is
151 reemployed in a regularly established position with a covered
152 employer shall be enrolled as a renewed member as provided in s.
153 121.122.

154 7. Effective July 1, 2015, the Senior Management Service
155 Optional Annuity Program is closed to new members. Members
156 enrolled in the Senior Management Service Optional Annuity
157 Program before July 1, 2015, may retain their membership in the
158 annuity program.

159 Section 6. Paragraph (a) of subsection (4) of section
160 121.091, Florida Statutes, is amended to read:

161 121.091 Benefits payable under the system.—Benefits may
162 not be paid under this section unless the member has terminated
163 employment as provided in s. 121.021(39)(a) or begun
164 participation in the Deferred Retirement Option Program as
165 provided in subsection (13), and a proper application has been
166 filed in the manner prescribed by the department. The department
167 may cancel an application for retirement benefits when the
168 member or beneficiary fails to timely provide the information
169 and documents required by this chapter and the department's
170 rules. The department shall adopt rules establishing procedures
171 for application for retirement benefits and for the cancellation
172 of such application when the required information or documents
173 are not received.

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174 (4) DISABILITY RETIREMENT BENEFIT.—

175 (a) *Disability retirement; entitlement and effective*
176 *date.—*

177 1.a. A member who becomes totally and permanently
178 disabled, as defined in paragraph (b), after completing 5 years
179 of creditable service, or a member who becomes totally and
180 permanently disabled in the line of duty regardless of service,
181 is entitled to a monthly disability benefit, ~~+~~ except that any
182 member with less than 5 years of creditable service on July 1,
183 1980, or any person who becomes a member of the Florida
184 Retirement System on or after such date must have completed 10
185 years of creditable service before becoming totally and
186 permanently disabled in order to receive disability retirement
187 benefits for a any disability that ~~which~~ occurs other than in
188 the line of duty. However, if a member employed on July 1, 1980,
189 who has less than 5 years of creditable service as of that date
190 becomes totally and permanently disabled after completing 5
191 years of creditable service and is found not to have attained
192 fully insured status for benefits under the federal Social
193 Security Act, such member is entitled to a monthly disability
194 benefit.

195 b. Effective July 1, 2001, a member of the pension plan
196 initially enrolled before July 1, 2015, who becomes totally and
197 permanently disabled, as defined in paragraph (b), after
198 completing 8 years of creditable service, or a member who
199 becomes totally and permanently disabled in the line of duty

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200 regardless of service, is entitled to a monthly disability
201 benefit.

202 c. Effective July 1, 2015, a member of the pension plan
203 initially enrolled on or after July 1, 2015, who becomes totally
204 and permanently disabled, as defined in paragraph (b), after
205 completing 10 years of creditable service, or a member who
206 becomes totally and permanently disabled in the line of duty
207 regardless of service, is entitled to a monthly disability
208 benefit.

209 2. If the division ~~has received from the employer~~ the
210 required documentation of the member's termination of employment
211 from the employer, the effective retirement date for a member
212 who applies and is approved for disability retirement shall be
213 as established by rule of the division.

214 3. For a member who is receiving Workers' Compensation
215 payments, the effective disability retirement date may not
216 precede the date the member reaches Maximum Medical Improvement
217 (MMI), unless the member terminates employment before reaching
218 MMI.

219 Section 7. Subsection (2) of section 121.122, Florida
220 Statutes, is amended, and subsections (3), (4), and (5) are
221 added to that section, to read:

222 121.122 Renewed membership in system.-

223 (2) Except as otherwise provided in subsections (3)-(5), a
224 retiree of a state-administered retirement system who is

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225 initially reemployed in a regularly established position on or
226 after July 1, 2010, may not be enrolled as a renewed member.

227 (3) A retiree of the investment plan, the State University
228 System Optional Retirement Program, the Senior Management
229 Service Optional Annuity Program, or the State Community College
230 System Optional Retirement Program who retired before July 1,
231 2010, but did not complete 10 years of creditable service and is
232 employed in a regularly established position with a covered
233 employer on or after January 1, 2015, shall be a renewed member
234 of the Regular Class of the investment plan regardless of the
235 position held, unless employed in a position eligible for
236 participation in the State University System Optional Retirement
237 Program or the State Community College System Optional
238 Retirement Program as provided in subsections (4) and (5),
239 respectively. The renewed member must satisfy the vesting
240 requirements and other provisions of this chapter.

241 (a) Creditable service, including credit toward the
242 retiree health insurance subsidy provided in s. 112.363, does
243 not accrue for a retiree's employment in a regularly established
244 position with a covered employer from July 1, 2010, through
245 December 31, 2014.

246 (b) Employer and employee contributions, interest,
247 earnings, or any other funds may not be paid into a renewed
248 member's investment plan account for any employment in a
249 regularly established position with a covered employer from July



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250 1, 2010, through December 31, 2014, by the renewed member or the
251 employer on behalf of the member.

252 (c) To be eligible to receive a retirement benefit, the
253 renewed member must satisfy the vesting requirements in s.
254 121.4501(6).

255 (d) The member is ineligible to receive disability
256 benefits as provided in s. 121.091(4) or s. 121.591(2).

257 (e) The member is subject to the reemployment after
258 retirement limitations provided in s. 121.091(9), as applicable.

259 (f) The member must satisfy the requirements for
260 termination from employment provided in s. 121.021(39).

261 (g) Upon the renewed membership or reemployment of a
262 retiree, the employer and the retiree shall pay the applicable
263 employer and employee contributions required under ss. 112.363,
264 121.71, 121.74, and 121.76. The contributions are payable only
265 for employment and salary earned in a regularly established
266 position with a covered employer on or after January 1, 2015.
267 The employer and employee contributions shall be transferred to
268 the investment plan and placed in a default fund as designated
269 by the state board. The retiree may move the contributions once
270 an account is activated in the investment plan.

271 (h) The member may not purchase any past service in the
272 investment plan, including employment in a regularly established
273 position with a covered employer from July 1, 2010, through
274 December 31, 2014.

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275 (i) A renewed member who is a retiree of the investment
276 plan and who is not receiving the maximum health insurance
277 subsidy provided in s. 112.363 is entitled to earn additional
278 credit toward the subsidy. Such credit may be earned only for
279 employment in a regularly established position with a covered
280 employer on or after January 1, 2015. Any additional subsidy due
281 because of additional credit may be received only at the time of
282 paying the second career retirement benefit. The total health
283 insurance subsidy received by a retiree receiving benefits from
284 initial and renewed membership may not exceed the maximum
285 allowed under s. 112.363.

286 (4) A retiree of the investment plan, the State University
287 System Optional Retirement Program, the Senior Management
288 Service Optional Annuity Program, or the State Community College
289 System Optional Retirement Program who retired before July 1,
290 2010, and is employed in a regularly established position
291 eligible for participation in the State University System
292 Optional Retirement Program on or after January 1, 2015, shall
293 become a renewed member of the optional retirement program. The
294 renewed member must satisfy the vesting requirements and other
295 provisions of this chapter. Once enrolled, a renewed member
296 remains enrolled in the optional retirement program while
297 employed in an eligible position for the optional retirement
298 program. If employment in a different covered position results
299 in the retiree's enrollment in the investment plan, the retiree

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300 is no longer eligible to participate in the optional retirement
301 program unless employed in a mandatory position under s. 121.35.

302 (a) The member is subject to the reemployment after
303 retirement limitations provided in s. 121.091(9), as applicable.

304 (b) The member must satisfy the requirements for
305 termination of employment provided in s. 121.021(39).

306 (c) Upon renewed membership or reemployment of a retiree,
307 the employer and the retiree shall pay the applicable employer
308 and employee contributions required under s. 121.35.

309 (d) The member, or the employer on behalf of the member,
310 may not purchase any prior service in the optional retirement
311 program or employment from July 1, 2010, to December 31, 2014,
312 when renewed membership is not available.

313 (5) A retiree of the investment plan, the State University
314 System Optional Retirement Program, the Senior Management
315 Service Optional Annuity Program, or the State Community College
316 System Optional Retirement Program who retired before July 1,
317 2010, and is employed in a regularly established position
318 eligible for participation in the State Community College System
319 Optional Retirement Program as provided in s. 121.051(2)(c)4. on
320 or after January 1, 2015, shall become a renewed member of the
321 optional retirement program. The renewed member must satisfy the
322 eligibility requirements of this chapter and s. 1012.875 for the
323 optional retirement program. Once enrolled, a renewed member
324 remains enrolled in the optional retirement program while
325 employed in an eligible position for the optional retirement

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326 program. If employment in a different covered position results
327 in the retiree's enrollment in the investment plan, the retiree
328 is no longer eligible to participate in the optional retirement
329 program.

330 (a) The member is subject to the reemployment after
331 retirement limitations provided in s. 121.091(9), as applicable.

332 (b) The member must satisfy the requirements for
333 termination of employment provided in s. 121.021(39).

334 (c) Upon renewed membership or reemployment of a retiree,
335 the employer and the retiree shall pay the applicable employer
336 and employee contributions required under ss. 121.051(2)(c) and
337 1012.875.

338 (d) The member, or the employer on behalf of the member,
339 may not purchase any past service in the optional retirement
340 program or employment accrued from July 1, 2010, to December 31,
341 2014.

342 Section 8. Subsection (1), paragraphs (e) and (i) of
343 subsection (2), paragraph (b) of subsection (3), subsection (4),
344 paragraph (c) of subsection (5), subsection (8), and paragraphs
345 (a), (b), (c), and (h) of subsection (10) of section 121.4501,
346 Florida Statutes, are amended to read:

347 121.4501 Florida Retirement System Investment Plan.—

348 (1) The Trustees of the State Board of Administration
349 shall establish a defined contribution program called the
350 "Florida Retirement System Investment Plan" or "investment plan"
351 for members of the Florida Retirement System under which

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352 retirement benefits will be provided for eligible employees who
353 elect to participate in the program and for employees initially
354 enrolled on or after July 1, 2015, in positions covered by the
355 Elected Officers' Class or the Senior Management Service Class
356 and are compulsory members of the investment plan unless the
357 member withdraws from the system under s. 121.052(3)(d) or s.
358 121.055(1)(b)2., or participates in an optional retirement
359 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
360 Investment plan membership continues if there is subsequent
361 employment in a position covered by another membership class.

362 The retirement benefits shall be provided through member-
363 directed investments, in accordance with s. 401(a) of the
364 Internal Revenue Code and related regulations. The employer and
365 employee shall make contributions, as provided in this section
366 and ss. 121.571 and 121.71, to the Florida Retirement System
367 Investment Plan Trust Fund toward the funding of benefits.

368 (2) DEFINITIONS.—As used in this part, the term:

369 (e) "Eligible employee" means an officer or employee, as
370 defined in s. 121.021, who:

371 1. Is a member of, or is eligible for membership in, the
372 Florida Retirement System, including any renewed member of the
373 Florida Retirement System initially enrolled before July 1,
374 2010; ~~or~~

375 2. Participates in, or is eligible to participate in, the
376 Senior Management Service Optional Annuity Program as
377 established under s. 121.055(6), the State Community College

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378 System Optional Retirement Program as established under s.
379 121.051(2)(c), or the State University System Optional
380 Retirement Program established under s. 121.35; or

381 3. Is a retired member of the investment plan, the State
382 University System Optional Retirement Program, the Senior
383 Management Service Optional Annuity Program, or the State
384 Community College System Optional Retirement Program who retired
385 before July 1, 2010, and is employed in a regularly established
386 position on or after January 1, 2015, as provided in s. 121.122.

387
388 The term does not include any member participating in the
389 Deferred Retirement Option Program established under s.
390 121.091(13), a retiree of a state-administered retirement system
391 who retired initially reemployed in a regularly established
392 position on or after July 1, 2010, or a mandatory participant of
393 the State University System Optional Retirement Program
394 established under s. 121.35.

395 (i) "Member" or "employee" means an eligible employee who
396 enrolls in, or is defaulted into, the investment plan as
397 provided in subsection (4), a terminated Deferred Retirement
398 Option Program member as described in subsection (21), or a
399 beneficiary or alternate payee of a member or employee.

400 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.-

401 (b) Notwithstanding paragraph (a), an eligible employee
402 who elects to participate in, or is defaulted into, the
403 investment plan and establishes one or more individual member

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404 accounts may elect to transfer to the investment plan a sum
405 representing the present value of the employee's accumulated
406 benefit obligation under the pension plan, except as provided in
407 paragraph (4)(b). Upon transfer, all service credit earned under
408 the pension plan is nullified for purposes of entitlement to a
409 future benefit under the pension plan. A member may not transfer
410 the accumulated benefit obligation balance from the pension plan
411 after the time period for enrolling in the investment plan has
412 expired.

413 1. For purposes of this subsection, the present value of
414 the member's accumulated benefit obligation is based upon the
415 member's estimated creditable service and estimated average
416 final compensation under the pension plan, subject to
417 recomputation under subparagraph 2. For state employees, initial
418 estimates shall be based upon creditable service and average
419 final compensation as of midnight on June 30, 2002; for district
420 school board employees, initial estimates shall be based upon
421 creditable service and average final compensation as of midnight
422 on September 30, 2002; and for local government employees,
423 initial estimates shall be based upon creditable service and
424 average final compensation as of midnight on December 31, 2002.
425 The dates specified are the "estimate date" for these employees.
426 The actuarial present value of the employee's accumulated
427 benefit obligation shall be based on the following:

428 a. The discount rate and other relevant actuarial
429 assumptions used to value the Florida Retirement System Trust

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430 Fund at the time the amount to be transferred is determined,
431 consistent with the factors provided in sub-subparagraphs b. and
432 c.

433 b. A benefit commencement age, based on the member's
434 estimated creditable service as of the estimate date.

435 c. Except as provided under sub-subparagraph d., for a
436 member initially enrolled:

437 (I) Before July 1, 2011, the benefit commencement age is
438 the younger of the following, but may not be younger than the
439 member's age as of the estimate date:

440 (A) Age 62; or

441 (B) The age the member would attain if the member
442 completed 30 years of service with an employer, assuming the
443 member worked continuously from the estimate date, and
444 disregarding any vesting requirement that would otherwise apply
445 under the pension plan.

446 (II) On or after July 1, 2011, the benefit commencement
447 age is the younger of the following, but may not be younger than
448 the member's age as of the estimate date:

449 (A) Age 65; or

450 (B) The age the member would attain if the member
451 completed 33 years of service with an employer, assuming the
452 member worked continuously from the estimate date, and
453 disregarding any vesting requirement that would otherwise apply
454 under the pension plan.

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455 d. For members of the Special Risk Class and for members
456 of the Special Risk Administrative Support Class entitled to
457 retain the special risk normal retirement date:

458 (I) Initially enrolled before July 1, 2011, the benefit
459 commencement age is the younger of the following, but may not be
460 younger than the member's age as of the estimate date:

461 (A) Age 55; or

462 (B) The age the member would attain if the member
463 completed 25 years of service with an employer, assuming the
464 member worked continuously from the estimate date, and
465 disregarding any vesting requirement that would otherwise apply
466 under the pension plan.

467 (II) Initially enrolled on or after July 1, 2011, the
468 benefit commencement age is the younger of the following, but
469 may not be younger than the member's age as of the estimate
470 date:

471 (A) Age 60; or

472 (B) The age the member would attain if the member
473 completed 30 years of service with an employer, assuming the
474 member worked continuously from the estimate date, and
475 disregarding any vesting requirement that would otherwise apply
476 under the pension plan.

477 e. The calculation must disregard vesting requirements and
478 early retirement reduction factors that would otherwise apply
479 under the pension plan.

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480 2. For each member who elects to transfer moneys from the
481 pension plan to his or her account in the investment plan, the
482 division shall recompute the amount transferred under
483 subparagraph 1. within 60 days after the actual transfer of
484 funds based upon the member's actual creditable service and
485 actual final average compensation as of the initial date of
486 participation in the investment plan. If the recomputed amount
487 differs from the amount transferred by \$10 or more, the division
488 shall:

489 a. Transfer, or cause to be transferred, from the Florida
490 Retirement System Trust Fund to the member's account the excess,
491 if any, of the recomputed amount over the previously transferred
492 amount together with interest from the initial date of transfer
493 to the date of transfer under this subparagraph, based upon the
494 effective annual interest equal to the assumed return on the
495 actuarial investment which was used in the most recent actuarial
496 valuation of the system, compounded annually.

497 b. Transfer, or cause to be transferred, from the member's
498 account to the Florida Retirement System Trust Fund the excess,
499 if any, of the previously transferred amount over the recomputed
500 amount, together with interest from the initial date of transfer
501 to the date of transfer under this subparagraph, based upon 6
502 percent effective annual interest, compounded annually, pro rata
503 based on the member's allocation plan.

504 3. If contribution adjustments are made as a result of
505 employer errors or corrections, including plan corrections,

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506 following recomputation of the amount transferred under
 507 subparagraph 1., the member is entitled to the additional
 508 contributions or is responsible for returning any excess
 509 contributions resulting from the correction. However, a any
 510 return of such erroneous excess pretax contribution by the plan
 511 must be made within the period allowed by the Internal Revenue
 512 Service. The present value of the member's accumulated benefit
 513 obligation may ~~shall~~ not be recalculated.

514 4. As directed by the member, the state board shall
 515 transfer or cause to be transferred the appropriate amounts to
 516 the designated accounts within 30 days after the effective date
 517 of the member's participation in the investment plan unless the
 518 major financial markets for securities available for a transfer
 519 are seriously disrupted by an unforeseen event that causes the
 520 suspension of trading on a any national securities exchange in
 521 the country where the securities were issued. In that event, the
 522 30-day period may be extended by a resolution of the state
 523 board. Transfers are not commissionable or subject to other fees
 524 and may be in the form of securities or cash, as determined by
 525 the state board. Such securities are valued as of the date of
 526 receipt in the member's account.

527 5. If the state board or the division receives
 528 notification from the United States Internal Revenue Service
 529 that this paragraph or any portion of this paragraph will cause
 530 the retirement system, or a portion thereof, to be disqualified
 531 for tax purposes under the Internal Revenue Code, the portion

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532 that will cause the disqualification does not apply. Upon such
533 notice, the state board and the division shall notify the
534 presiding officers of the Legislature.

535 (4) PARTICIPATION; ENROLLMENT.—

536 (a)1. Effective June 1, 2002, through February 28, 2003, a
537 90-day election period was provided to each eligible employee
538 participating in the Florida Retirement System, preceded by a
539 90-day education period, permitting each eligible employee to
540 elect membership in the investment plan, and an employee who
541 failed to elect the investment plan during the election period
542 remained in the pension plan. An eligible employee who was
543 employed in a regularly established position during the election
544 period was granted the option to make one subsequent election,
545 as provided in paragraph (f). With respect to an eligible
546 employee who did not participate in the initial election period
547 or who is initially ~~employee who is~~ employed in a regularly
548 established position after the close of the initial election
549 period but before July 1, 2015, on June 1, 2002, by a state
550 employer.

551 ~~a. Any such employee may elect to participate in the~~
552 ~~investment plan in lieu of retaining his or her membership in~~
553 ~~the pension plan. The election must be made in writing or by~~
554 ~~electronic means and must be filed with the third party~~
555 ~~administrator by August 31, 2002, or, in the case of an active~~
556 ~~employee who is on a leave of absence on April 1, 2002, by the~~
557 ~~last business day of the 5th month following the month the leave~~

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558 ~~of absence concludes. This election is irrevocable, except as~~
559 ~~provided in paragraph (g). Upon making such election, the~~
560 ~~employee shall be enrolled as a member of the investment plan,~~
561 ~~the employee's membership in the Florida Retirement System is~~
562 ~~governed by the provisions of this part, and the employee's~~
563 ~~membership in the pension plan terminates. The employee's~~
564 ~~enrollment in the investment plan is effective the first day of~~
565 ~~the month for which a full month's employer contribution is made~~
566 ~~to the investment plan.~~

567 ~~b. Any such employee who fails to elect to participate in~~
568 ~~the investment plan within the prescribed time period is deemed~~
569 ~~to have elected to retain membership in the pension plan, and~~
570 ~~the employee's option to elect to participate in the investment~~
571 ~~plan is forfeited.~~

572 ~~2. With respect to employees who become eligible to~~
573 ~~participate in the investment plan by reason of employment in a~~
574 ~~regularly established position with a state employer commencing~~
575 ~~after April 1, 2002:~~

576 ~~a. Any such employee shall, by default, be enrolled in the~~
577 ~~pension plan at the commencement of employment, and may, by the~~
578 ~~last business day of the 5th month following the employee's~~
579 ~~month of hire, elect to participate in the investment plan. The~~
580 ~~employee's election must be made in writing or by electronic~~
581 ~~means and must be filed with the third-party administrator. The~~
582 ~~election to participate in the investment plan is irrevocable,~~
583 ~~except as provided in paragraph (f) ~~(g)~~.~~

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584 ~~a.b.~~ If the employee files such election within the
585 prescribed time period, enrollment in the investment plan is
586 effective on the first day of employment. The retirement
587 contributions paid through the month of the employee plan change
588 shall be transferred to the investment program, and, effective
589 the first day of the next month, the employer and employee must
590 pay the applicable contributions based on the employee
591 membership class in the program.

592 ~~b.e.~~ An employee who fails to elect to participate in the
593 investment plan within the prescribed time period is deemed to
594 have elected to retain membership in the pension plan, and the
595 employee's option to elect to participate in the investment plan
596 is forfeited.

597 ~~2.3.~~ With respect to employees who become eligible to
598 participate in the investment plan pursuant to s.
599 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
600 participate in the investment plan in lieu of retaining his or
601 her membership in the State Community College System Optional
602 Retirement Program or the State University System Optional
603 Retirement Program. The election must be ~~made~~ in writing or by
604 electronic means and must be filed with the third-party
605 administrator. This election is irrevocable, except as provided
606 in paragraph ~~(f)~~(g). Upon making such election, the employee
607 shall be enrolled as a member in the investment plan, the
608 employee's membership in the Florida Retirement System is
609 governed by the provisions of this part, and the employee's

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610 participation in the State Community College System Optional
611 Retirement Program or the State University System Optional
612 Retirement Program terminates. The employee's enrollment in the
613 investment plan is effective on the first day of the month for
614 which a full month's employer and employee contribution is made
615 to the investment plan.

616 (b)1. With respect to employees who become eligible to
617 participate in the investment plan, except as provided in
618 paragraph (g), by reason of employment in a regularly
619 established position commencing on or after July 1, 2015, any
620 such employee shall be enrolled in the pension plan at the
621 commencement of employment and may, by the last business day of
622 the 8th month following the employee's month of hire, elect to
623 participate in the pension plan or the investment plan. Eligible
624 employees may make a plan election only if they are earning
625 service credit in an employer-employee relationship consistent
626 with s. 121.021(17)(b), excluding leaves of absence without pay.

627 2. The employee's election must be made in writing or by
628 electronic means and must be filed with the third-party
629 administrator. The election to participate in the pension plan
630 or investment plan is irrevocable, except as provided in
631 paragraph (f).

632 3. If the employee fails to make an election of the
633 pension plan or investment plan within 8 months following the
634 month of hire, the employee is deemed to have elected the
635 investment plan and will be defaulted into the investment plan

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636 retroactively to the employee's date of employment. The
637 employee's option to participate in the pension plan is
638 forfeited, except as provided in paragraph (f).

639 4. The amount of the employee and employer contributions
640 paid before the default to the investment plan shall be
641 transferred to the investment plan and shall be placed in a
642 default fund as designated by the State Board of Administration.
643 The employee may move the contributions once an account is
644 activated in the investment plan.

645 5. Effective the first day of the month after an eligible
646 employee makes a plan election of the pension plan or investment
647 plan, or after the month of default to the investment plan, the
648 employee and employer shall pay the applicable contributions
649 based on the employee membership class in the program.

650 ~~4. For purposes of this paragraph, "state employer" means~~
651 ~~any agency, board, branch, commission, community college,~~
652 ~~department, institution, institution of higher education, or~~
653 ~~water management district of the state, which participates in~~
654 ~~the Florida Retirement System for the benefit of certain~~
655 ~~employees.~~

656 ~~(b)1. With respect to an eligible employee who is employed~~
657 ~~in a regularly established position on September 1, 2002, by a~~
658 ~~district school board employer:~~

659 ~~a. Any such employee may elect to participate in the~~
660 ~~investment plan in lieu of retaining his or her membership in~~
661 ~~the pension plan. The election must be made in writing or by~~

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662 ~~electronic means and must be filed with the third-party~~
663 ~~administrator by November 30, or, in the case of an active~~
664 ~~employee who is on a leave of absence on July 1, 2002, by the~~
665 ~~last business day of the 5th month following the month the leave~~
666 ~~of absence concludes. This election is irrevocable, except as~~
667 ~~provided in paragraph (g). Upon making such election, the~~
668 ~~employee shall be enrolled as a member of the investment plan,~~
669 ~~the employee's membership in the Florida Retirement System is~~
670 ~~governed by the provisions of this part, and the employee's~~
671 ~~membership in the pension plan terminates. The employee's~~
672 ~~enrollment in the investment plan is effective the first day of~~
673 ~~the month for which a full month's employer contribution is made~~
674 ~~to the investment program.~~

675 ~~b. Any such employee who fails to elect to participate in~~
676 ~~the investment plan within the prescribed time period is deemed~~
677 ~~to have elected to retain membership in the pension plan, and~~
678 ~~the employee's option to elect to participate in the investment~~
679 ~~plan is forfeited.~~

680 ~~2. With respect to employees who become eligible to~~
681 ~~participate in the investment plan by reason of employment in a~~
682 ~~regularly established position with a district school board~~
683 ~~employer commencing after July 1, 2002:~~

684 ~~a. Any such employee shall, by default, be enrolled in the~~
685 ~~pension plan at the commencement of employment, and may, by the~~
686 ~~last business day of the 5th month following the employee's~~
687 ~~month of hire, elect to participate in the investment plan. The~~

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688 ~~employee's election must be made in writing or by electronic~~
689 ~~means and must be filed with the third-party administrator. The~~
690 ~~election to participate in the investment plan is irrevocable,~~
691 ~~except as provided in paragraph (g).~~

692 ~~b. If the employee files such election within the~~
693 ~~prescribed time period, enrollment in the investment plan is~~
694 ~~effective on the first day of employment. The employer~~
695 ~~retirement contributions paid through the month of the employee~~
696 ~~plan change shall be transferred to the investment plan, and,~~
697 ~~effective the first day of the next month, the employer shall~~
698 ~~pay the applicable contributions based on the employee~~
699 ~~membership class in the investment plan.~~

700 ~~c. Any such employee who fails to elect to participate in~~
701 ~~the investment plan within the prescribed time period is deemed~~
702 ~~to have elected to retain membership in the pension plan, and~~
703 ~~the employee's option to elect to participate in the investment~~
704 ~~plan is forfeited.~~

705 ~~3. For purposes of this paragraph, "district school board~~
706 ~~employer" means any district school board that participates in~~
707 ~~the Florida Retirement System for the benefit of certain~~
708 ~~employees, or a charter school or charter technical career~~
709 ~~center that participates in the Florida Retirement System as~~
710 ~~provided in s. 121.051(2)(d).~~

711 ~~(c)1. With respect to an eligible employee who is employed~~
712 ~~in a regularly established position on December 1, 2002, by a~~
713 ~~local employer:~~

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714 ~~a. Any such employee may elect to participate in the~~
715 ~~investment plan in lieu of retaining his or her membership in~~
716 ~~the pension plan. The election must be made in writing or by~~
717 ~~electronic means and must be filed with the third-party~~
718 ~~administrator by February 28, 2003, or, in the case of an active~~
719 ~~employee who is on a leave of absence on October 1, 2002, by the~~
720 ~~last business day of the 5th month following the month the leave~~
721 ~~of absence concludes. This election is irrevocable, except as~~
722 ~~provided in paragraph (g). Upon making such election, the~~
723 ~~employee shall be enrolled as a participant of the investment~~
724 ~~plan, the employee's membership in the Florida Retirement System~~
725 ~~is governed by the provisions of this part, and the employee's~~
726 ~~membership in the pension plan terminates. The employee's~~
727 ~~enrollment in the investment plan is effective the first day of~~
728 ~~the month for which a full month's employer contribution is made~~
729 ~~to the investment plan.~~

730 ~~b. Any such employee who fails to elect to participate in~~
731 ~~the investment plan within the prescribed time period is deemed~~
732 ~~to have elected to retain membership in the pension plan, and~~
733 ~~the employee's option to elect to participate in the investment~~
734 ~~plan is forfeited.~~

735 ~~2. With respect to employees who become eligible to~~
736 ~~participate in the investment plan by reason of employment in a~~
737 ~~regularly established position with a local employer commencing~~
738 ~~after October 1, 2002:~~

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739 ~~a. Any such employee shall, by default, be enrolled in the~~
740 ~~pension plan at the commencement of employment, and may, by the~~
741 ~~last business day of the 5th month following the employee's~~
742 ~~month of hire, elect to participate in the investment plan. The~~
743 ~~employee's election must be made in writing or by electronic~~
744 ~~means and must be filed with the third-party administrator. The~~
745 ~~election to participate in the investment plan is irrevocable,~~
746 ~~except as provided in paragraph (g).~~

747 ~~b. If the employee files such election within the~~
748 ~~prescribed time period, enrollment in the investment plan is~~
749 ~~effective on the first day of employment. The employer~~
750 ~~retirement contributions paid through the month of the employee~~
751 ~~plan change shall be transferred to the investment plan, and,~~
752 ~~effective the first day of the next month, the employer shall~~
753 ~~pay the applicable contributions based on the employee~~
754 ~~membership class in the investment plan.~~

755 ~~c. Any such employee who fails to elect to participate in~~
756 ~~the investment plan within the prescribed time period is deemed~~
757 ~~to have elected to retain membership in the pension plan, and~~
758 ~~the employee's option to elect to participate in the investment~~
759 ~~plan is forfeited.~~

760 ~~3. For purposes of this paragraph, "local employer" means~~
761 ~~any employer not included in paragraph (a) or paragraph (b).~~

762 ~~(c)-(d) Contributions available for self-direction by a~~
763 ~~member who has not selected one or more specific investment~~
764 ~~products shall be allocated as prescribed by the state board.~~

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765 The third-party administrator shall notify the member at least
766 quarterly that the member should take an affirmative action to
767 make an asset allocation among the investment products.

768 (d)(e) On or after July 1, 2011, a member of the pension
769 plan who obtains a refund of employee contributions retains his
770 or her prior plan choice upon return to employment in a
771 regularly established position with a participating employer.

772 (e)(f) A member of the investment plan who takes a
773 distribution of any contributions from his or her investment
774 plan account is considered a retiree. A member retiree who
775 retires is initially reemployed in a regularly established
776 position on or after July 1, 2010, is not eligible to be
777 enrolled in renewed membership. A member who retired before July
778 1, 2010, and is employed on or after January 1, 2015, in a
779 regularly established position shall be a renewed member as
780 provided in s. 121.122, except that a retiree who has returned
781 to covered employment before July 1, 2010, may continue
782 membership in the plan he or she chooses.

783
784
785
786 -----
787 **T I T L E A M E N D M E N T**

788 Remove lines 15-36 and insert:
789 date; amending s. 121.053, F.S.; authorizing renewed
790 membership in the retirement system for retirees who

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791 are reemployed in a position eligible for the Elected
792 Officers' Class under certain circumstances; amending
793 s. 121.055, F.S.; authorizing renewed membership in
794 the retirement system for retirees of the Senior
795 Management Service Optional Annuity Program who are
796 reemployed on or after a specified date; prohibiting
797 an elected official eligible for membership in the
798 Elected Officers' Class from enrolling in the Senior
799 Management Service Class or in the Senior Management
800 Service Optional Annuity Program; closing the Senior
801 Management Service Optional Annuity Program to new
802 members after a specified date; amending s. 121.091,
803 F.S.; increasing the service time required to qualify
804 for disability benefits to 10 years for members
805 enrolled in the pension plan on or after a specified
806 date; revising provisions to conform to changes made
807 by the act; amending s. 121.122, F.S.; requiring that
808 certain retirees who are employed on or after a
809 specified date be renewed members in the investment
810 plan; providing exceptions; providing that creditable
811 service does not accrue for a reemployed retiree
812 during a specified period; prohibiting certain funds
813 from being paid into a renewed member's investment
814 plan account for a specified period of employment;
815 requiring the renewed member to satisfy vesting
816 requirements; prohibiting a renewed member from

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817 receiving disability benefits; specifying requirements
818 and limitations; requiring the employer and the
819 retiree to make applicable contributions to the
820 member's investment plan account; providing for the
821 administration of the employer and employee
822 contributions; prohibiting the purchase of past
823 service in the investment plan during certain dates;
824 authorizing a renewed member to receive additional
825 credit toward the health insurance subsidy under
826 certain circumstances; providing that a retiree
827 employed on or after a specified date in a regularly
828 established position eligible for the State University
829 System Optional Retirement Program is a renewed member
830 of that program; specifying requirements and
831 limitations; requiring the employer and the retiree to
832 make applicable contributions; prohibiting the
833 purchase of past service in the program during certain
834 dates; providing that a retiree employed on or after a
835 specified date in a regularly established position
836 eligible for the State Community College System
837 Optional Retirement Program is a renewed member of
838 that program; specifying requirements and limitations;
839 requiring the employer and the retiree to make
840 applicable contributions; prohibiting the purchase of
841 past service in the program during certain dates;
842 amending s. 121.4501, F.S.; requiring certain

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843 employees initially enrolled in the Florida Retirement
844 System on or after a specified date to be compulsory
845 members of the investment plan; revising the
846 definition of "member" or "employee"; revising a
847 provision relating to acknowledgement of an employee's
848 election to participate in the investment plan;
849 enrolling certain employees in the pension plan from
850 their date of hire until they are automatically
851 enrolled in the investment plan or timely elect
852 enrollment in the pension plan; providing certain
853 members with a specified time to choose participation
854 in the pension plan or the investment plan; specifying
855 that a retiree who has returned to covered employment
856 before a specified date may continue membership in his
857 or her selected retirement plan; conforming a
858 provision to changes made by the act; providing for
859 the

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