

1 A bill to be entitled
 2 An act relating to discretionary sales surtaxes;
 3 amending s. 112.64, F.S.; authorizing a county to
 4 apply proceeds of a pension liability surtax toward
 5 reducing the unfunded liability of a defined benefit
 6 retirement plan or system; specifying the method of
 7 determining the amortization schedule if a surtax is
 8 approved; amending s. 212.055, F.S.; authorizing a
 9 county to levy a pension liability surtax by ordinance
 10 if certain conditions are met; prescribing the form of
 11 the ballot statement if the ordinance is conditioned
 12 on a referendum; requiring the Department of Revenue
 13 and participating local governments to distribute the
 14 surtax proceeds, less administrative fees; requiring
 15 the ordinance to specify the method and frequency of
 16 distributing proceeds; prohibiting a defined benefit
 17 retirement plan or system from receiving surtax
 18 proceeds after a certain level of actuarial funding is
 19 reached; requiring that surtax proceeds be used to
 20 reduce or amortize the unfunded liability of the
 21 system or plan; specifying conditions under which the
 22 surtax terminates; providing an effective date.

23
 24 Be It Enacted by the Legislature of the State of Florida:

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 26 Section 1. Subsection (6) of section 112.64, Florida

27 Statutes, is renumbered as subsection (7), and a new subsection
 28 (6) is added to that section, to read:

29 112.64 Administration of funds; amortization of unfunded
 30 liability.—

31 (6) (a) Notwithstanding any other provision of this part,
 32 the proceeds of a pension liability surtax imposed by a county
 33 pursuant to s. 212.055, which is levied for the purpose of
 34 funding or amortizing the unfunded liability of a defined
 35 benefit retirement plan or system, excluding the Florida
 36 Retirement System, shall be actuarially recognized, and the
 37 county shall apply the present value of the total projected
 38 proceeds of the surtax to reduce the unfunded liability or to
 39 amortize it as part of the county's annual required
 40 contribution, beginning with the fiscal year immediately
 41 following approval of the pension liability surtax. The unfunded
 42 liability amortization schedule must be adjusted beginning with
 43 the fiscal year immediately following approval of the pension
 44 liability surtax and amortized over a period of 30 years.

45 (b) The payroll of all employees in classifications
 46 covered by a closed retirement plan or system that receives
 47 funds from the pension liability surtax must be included in
 48 determining the unfunded liability amortization schedule for the
 49 closed plan, regardless of the plan in which the employees
 50 currently participate, and the payroll growth assumption must be
 51 adjusted to reflect the payroll of those employees when
 52 calculating the amortization of the unfunded liability.

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

55 212.055 Discretionary sales surtaxes; legislative intent;
 56 authorization and use of proceeds.—It is the legislative intent
 57 that any authorization for imposition of a discretionary sales
 58 surtax shall be published in the Florida Statutes as a
 59 subsection of this section, irrespective of the duration of the
 60 levy. Each enactment shall specify the types of counties
 61 authorized to levy; the rate or rates which may be imposed; the
 62 maximum length of time the surtax may be imposed, if any; the
 63 procedure which must be followed to secure voter approval, if
 64 required; the purpose for which the proceeds may be expended;
 65 and such other requirements as the Legislature may provide.
 66 Taxable transactions and administrative procedures shall be as
 67 provided in s. 212.054.

68 (9) PENSION LIABILITY SURTAX.—

69 (a) The governing body of a county may levy a pension
 70 liability surtax to fund underfunded defined benefit retirement
 71 plans or systems, pursuant to an ordinance conditioned to take
 72 effect upon approval by a majority vote of the electors of the
 73 county voting in a referendum, at a rate that may not exceed 0.5
 74 percent. The county may not impose a pension liability surtax
 75 unless the underfunded defined benefit retirement plan or system
 76 is below 80 percent of actuarial funding at the time the
 77 ordinance or referendum is passed. The most recent actuarial
 78 report submitted to the Department of Management Services

79 pursuant to s. 112.63 must be used to establish the level of
 80 actuarial funding for purposes of determining eligibility to
 81 impose the surtax. The governing body of a county may only
 82 impose the surtax if:

83 1. The employees, including police officers and
 84 firefighters, who enter employment on or after the date that the
 85 local government meets the requirements for enacting the pension
 86 liability surtax, may not enroll in a defined benefit retirement
 87 plan or system that will receive the surtax proceeds.

88 2. The local government provides a uniform retirement
 89 benefit to employees, regardless of position held, who enter
 90 employment on or after the date that the local government meets
 91 the requirements for enacting the pension liability surtax.

92 3. The elected local government officers do not accrue
 93 service credit towards their retirement benefit for the period
 94 beginning on the date that the local government meets the
 95 requirements for enacting the pension liability surtax and
 96 ending on the date such surtax is no longer collected.

97 4. The county currently levies a local government
 98 infrastructure surtax pursuant to subsection (2) which is
 99 scheduled to terminate and is not subject to renewal.

100 5. The pension liability surtax does not take effect until
 101 the local government infrastructure surtax described in
 102 subparagraph 2. is terminated.

103 (b) A referendum to adopt a pension liability surtax must
 104 meet the requirements of s. 101.161 and must include a brief and

105 general description of the purposes for which the surtax
 106 proceeds will be used.

107 (c) Pursuant to s. 212.054(4), the proceeds of the surtax
 108 collected under this subsection, less an administrative fee that
 109 may be retained by the department, shall be distributed by the
 110 department to the local government. The local government shall
 111 distribute the proceeds it receives from the department, less an
 112 administrative fee not to exceed 2 percent of the surtax
 113 collected, to an eligible defined benefit retirement plan or
 114 system, except the Florida Retirement System. The ordinance
 115 providing for the imposition of the pension liability surtax
 116 must specify the method of determining the percentage of the
 117 proceeds, and the frequency of such payments, distributed to
 118 each eligible defined benefit retirement plan or system. The
 119 pension liability surtax proceeds may be used only to reduce or
 120 amortize the unfunded actuarial liability of the defined benefit
 121 retirement plan or system. A defined benefit retirement plan or
 122 system may no longer receive the surtax proceeds once the plan
 123 or system reaches or exceeds 100 percent of actuarial funding.
 124 If the local government makes advanced payments toward the
 125 unfunded liability of an underfunded defined benefit retirement
 126 plan or system which are secured by future revenues associated
 127 with the surtax, the local government may fully reimburse itself
 128 from the surtax proceeds for such payments.

129 (d) Notwithstanding s. 212.054(5), a pension liability
 130 surtax imposed pursuant to this subsection shall terminate for

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131 | any defined benefit retirement plan or system when the actuarial
132 | funding level of that plan or system reaches or exceeds 100
133 | percent.

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