



# **LEGISLATIVE**

## **ISSUE BRIEF**

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### **Oppose changes to the definition of “Extra Benefits”** **SB 330 by Senator Pruitt and** **HB 133 by Representative Sansom**

The Florida Division of Retirement is attempting to expand the statutory definition of “extra benefits” for local police and firefighters with the creation of proposed rules. The Florida League of Cities is challenging the proposed rules under Chapter 120, the administrative procedures process. These bills undermine the League’s challenge and set an onerous precedent that would force cities to pay for “extra benefits” from their general revenues that previously were funded with insurance premium taxes. This precedent is even more egregious because it penalizes those cities that provided “extra benefits” to police officers and firefighters prior to March 12, 1999. If these bills pass, every city that provided “extra benefits” prior to March 12, 1999 would no longer be able to pay for these benefits from their additional insurance premium tax revenues.

- The current statutory definition of “extra benefits is “benefits in addition to or greater than those provided to general employees.”
- The bills would redefine the term “extra benefits” to include “in addition to those in existence for police officers and firefighters on March 12, 1999.”
- Adding this language would prohibit the use of additional insurance premium tax revenues to fund extra benefits provided to police officers and firefighters prior to March 12, 1999.
- It would require the use of general revenue funds to pay for extra benefits provided prior to March 12, 1999.
- It penalizes cities that were providing extra benefits prior to March 12, 1999.
- The fiscal impact is indeterminate. The League has sampled 48 of approximately 348 police and fire pension plans. For the sampled cities the impact is as much as \$4,495,500. Statewide, the impact could be seven times greater.
- This change will undermine the agreement established in 1999 with the passage of Chapter Law 99-1, the major police and fire pension law. It was clearly understood that 99-1 would not create a fiscal burden on cities to implement.

**(over)**

- The Division of Retirement began unraveling this agreement with a non-rule policy that interpreted the definition of “extra benefits” to include the March 12, 1999 date. The League challenged the Division’s interpretation.
- As a result of the League’s challenge, the Division issued proposed rules that would have the same impact. The proposed rules are contrary to the current definition in Florida Statutes. The League is challenging the proposed rules.

**Action: Please meet with your Legislators and ask them to oppose legislation that expands the definition of “extra benefits.” HB 133 is currently in the House State Administration Committee and SB 330 is in the Senate Finance & Taxation Committee.**

**For more information contact FLC staff:  
John Wayne Smith at (850) 570-7242 or Kraig Conn at (850) 524-4133.**

**Senate Finance & Taxation Committee**

Walter “Skip” Campbell, Chair	(850) 487-5094
Burt Saunders, Vice Chair	(850) 487-5124
Bill Posey	(850) 487-5053
Steven Geller	(850) 487-5097
Gwen Margolis	(850) 487-5121

**House State Administration Committee**

Connie Mack, Chair	(850) 488-0635
Jeffrey D. Kottkamp, Vice Chair	(850) 488-7433
Wilbert Holloway	(850) 488-0766
Donald D. Brown	(850) 488-4726
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