

EXHIBIT E

Position: The City of Cape Coral SUPPORTS legislation that will allow for the collection of Florida Statute Chapter 175 monies in exchange for providing Fire protection to a Municipal Services Taxing Unit (MSTU).

Purpose of Legislation: Corrects inequity of a municipal firefighter's pension plan being unable to receive the excise tax collected on the insurance premiums for parcels they provide service to just because the parcels are within in an unincorporated area of a county.

Background: The City of Cape Coral has been providing fire services to an area of unincorporated Lee County since 1990 through an interlocal agreement - Burnt Store MSTU.

FS Chapter 175 implements provisions to ensure that municipal and special district firefighter's pension trust funds are managed, administered, operated, and funded in such a manner as to maximize the protection of the pension trust funds.

It also provides for the distribution of funds to municipal and special fire control district firefighters pension plans. Funds derived from the collection of the 1.85% excise tax on gross insurance premiums on properties within the boundaries municipality or special fire district.

Current provisions of Chapter 175:

- Funds derived from parcels in an unincorporated area not covered by a special fire district are retained by the State's General Fund and utilized to support the education reimbursements provided for with Chapter 175
- A municipal fire pension plan is eligible to receive funds collected from parcels within the boundaries of another municipality if providing services to those parcels through an interlocal agreement

Below is information pertaining to previous bills that were filed with the intent to correct the inequity.

HB 1189 and SB 1442 (2014 Legislative Session) and HB 105 and SB 216 (2015 Legislative Session):

- Provides that funds collected from parcels in an unincorporated area can be remitted to a municipal firefighters' plan:

- If the parcels are designated within a Municipal Services Taxing Unit (MSTU);
and,
 - an interlocal agreement exists between the municipality and county for the municipality to provide fire protection services to the parcels within the MSTU boundaries.
- 2014 bills did not pass.
 - 2015 HB 105 passed but was vetoed because it was estimated to have an estimated \$200,000 negative fiscal impact on the state's General Revenue Fund.

Will this statutory change have a widespread impact?

- The statute change may have an indeterminate (estimated \$200K in 2015) but negative fiscal impact on the state General Revenue Fund and an indeterminate but positive fiscal impact on local government revenues.