

By the Committee on Governmental Operations and
Representatives Garcia and Ritchie

1 A bill to be entitled
2 An act relating to authority of the State Board
3 of Administration to invest public funds;
4 amending s. 215.44, F.S.; requiring the Office
5 of Program Policy Analysis and Government
6 Accountability to conduct or have conducted
7 periodic performance audits of the board's
8 management of trust fund investments and to
9 submit the audit reports to the board and
10 specified individuals; amending s. 215.47,
11 F.S.; revising provisions relating to the
12 investment of public funds and the securities
13 authorized for such investment; providing for
14 the loan of securities; repealing s. 215.455,
15 F.S., relating to the loan of securities, to
16 conform; amending s. 215.50, F.S.; correcting a
17 cross reference, to conform; amending s.
18 215.515, F.S.; eliminating review by the
19 Department of Management Services of charges of
20 the board for investment services rendered;
21 amending s. 215.835, F.S.; authorizing the
22 board to adopt rules necessary to carry out the
23 provisions and intent of the State Bond Act;
24 amending s. 159.825, F.S.; authorizing the
25 board to adopt rules necessary to carry out
26 provisions of law relating to interest rate
27 waivers for the sale of taxable bonds; amending
28 s. 190.016, F.S.; correcting a cross reference,
29 to conform; amending s. 218.407, F.S.; revising
30 provisions relating to local government
31 resolutions required for deposit of surplus

1 funds in the Local Government Surplus Funds
2 Trust Fund; creating s. 218.412, F.S.;
3 authorizing the board to adopt rules necessary
4 for the administration of the trust fund;
5 creating s. 413.0115, F.S.; authorizing the
6 board to invest and reinvest the portfolio of
7 stocks, bonds, and mutual funds held by the
8 Division of Blind Services; requiring the
9 division director to make the portfolio
10 available and transfer it to the board for
11 investment; providing an effective date.

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

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15 Section 1. Subsection (6) of section 215.44, Florida
16 Statutes, is amended to read:

17 215.44 Board of Administration; powers and duties in
18 relation to investment of trust funds.--

19 (6) The Auditor General shall audit annually the
20 entire operation of the board. The Office of Program Policy
21 Analysis and Government Accountability ~~In addition to his or~~
22 ~~her regular financial and compliance audit, the Auditor~~
23 ~~General shall also perform or cause to be performed a~~
24 ~~performance audit of the management by the board of~~
25 ~~investments every 2 years, including among other things his or~~
26 ~~her independent verification of the data included by the board~~
27 ~~in its reports to the Legislature required by subsection (5).~~
28 ~~The Auditor General may elect to contract with a private~~
29 ~~professional firm qualified in investment portfolio management~~
30 ~~to conduct the performance audit of investment management~~
31 ~~required by this subsection.~~ In addition to the duties

1 prescribed in this subsection, the Auditor General shall
2 annually as part of his or her audit conduct performance
3 postaudits of investments under s. 215.47(6) which are not
4 otherwise authorized under ss. 215.44-215.53. The Auditor
5 General and the Office of Program Policy Analysis and
6 Government Accountability shall submit such audit reports
7 ~~report~~ to the board, the President of the Senate, and the
8 Speaker of the House of Representatives and their designees.

9 Section 2. Section 215.47, Florida Statutes, is
10 amended to read:

11 215.47 Investments; authorized securities; loan of
12 securities.--Subject to the limitations and conditions of the
13 State Constitution or of the trust agreement relating to a
14 trust fund, moneys available for investments under ss.
15 215.44-215.53 may be invested as follows:

16 (1) Without limitation in:

17 (a) Bonds, notes, or other obligations of the United
18 States or those guaranteed by the United States or for which
19 the credit of the United States is pledged for the payment of
20 the principal and interest or dividends thereof.

21 (b) State bonds pledging the full faith and credit of
22 the state and revenue bonds additionally secured by the full
23 faith and credit of the state.

24 (c) Bonds of the several counties or districts in the
25 state containing a pledge of the full faith and credit of the
26 county or district involved.

27 (d) Bonds issued or administered by the State Board of
28 Administration secured solely by a pledge of all or part of
29 the 2-cent constitutional fuel tax accruing under the
30 provisions of s. 16, Art. IX of the State Constitution of
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1 1885, as amended, or of s. 9, Art. XII of the 1968 revised
2 State Constitution.

3 (e) Bonds issued by the State Board of Education
4 pursuant to ss. 18 and 19, Art. XII of the State Constitution
5 of 1885, as amended, or to s. 9, Art. XII of the 1968 revised
6 State Constitution, as amended.

7 (f) Bonds issued by the Florida Outdoor Recreational
8 Development Council pursuant to s. 17, Art. IX of the State
9 Constitution of 1885, as amended.

10 (g) Bonds issued by the Florida State Improvement
11 Commission, Florida Development Commission, Division of Bond
12 Finance of the Department of General Services, or Division of
13 Bond Finance of the State Board of Administration.

14 (h) Savings accounts in, or certificates of deposit
15 of, any bank, savings bank, or savings and loan association
16 incorporated under the laws of this state or organized under
17 the laws of the United States doing business and situated in
18 this state, the accounts of which are insured by the Federal
19 Government or an agency thereof, in an amount that does not
20 exceed 15 percent of the net worth of the institution, or a
21 lesser amount as determined by rule by the State Board of
22 Administration, provided such savings accounts and
23 certificates of deposit are secured in the manner prescribed
24 in chapter 280.

25 (i) Notes, bonds, and other obligations of agencies of
26 the United States.

27 ~~(i) Obligations of the Federal Farm Credit Banks and~~
28 ~~obligations of the Federal Home Loan Bank and its district~~
29 ~~banks.~~

30 ~~(j) Obligations of the Federal Home Loan Mortgage~~
31 ~~Corporation, including participation certificates.~~

1 ~~(k)~~ ~~Obligations guaranteed by the Government National~~
2 ~~Mortgage Association.~~

3 (j)~~(i)~~ Commercial paper of prime quality of the
4 highest letter and numerical rating as provided for by at
5 least one nationally recognized rating service.

6 (k)~~(m)~~ Time drafts or bills of exchange drawn on and
7 accepted by a commercial bank, otherwise known as banker's
8 acceptances, which are accepted by a member bank of the
9 Federal Reserve System having total deposits of not less than
10 \$400 million.

11 (l) Negotiable certificates of deposit issued by
12 domestic or foreign financial institutions in United States
13 dollars.

14 (m)~~(n)~~ Short-term obligations not authorized elsewhere
15 in this section to be purchased individually or in pooled
16 accounts or other collective investment funds, for the purpose
17 of providing liquidity to any fund or portfolio.

18 (n)~~(o)~~ Securities of, or other interests in, any
19 open-end or closed-end management type investment company or
20 investment trust registered under the Investment Company Act
21 of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to
22 time, provided that the portfolio of such investment company
23 or investment trust is limited to obligations of the United
24 States Government or any agency or instrumentality thereof and
25 to repurchase agreements fully collateralized by such United
26 States Government obligations and provided that such
27 investment company or investment trust takes delivery of such
28 collateral either directly or through an authorized custodian.

29 (2) With no more than 25 percent of any fund in:

30 (a) Bonds, notes, or obligations of any municipality
31 or political subdivision or any agency or authority of this

1 state, if such obligations are rated in any one of the three
2 highest ratings by two nationally recognized rating services.
3 However, if only one nationally recognized rating service
4 shall rate such obligations, then such rating service must
5 have rated such obligations in any one of the two highest
6 classifications heretofore mentioned.

7 (b) Notes secured by first mortgages on Florida real
8 property, insured or guaranteed by the Federal Housing
9 Administration or the United States Department of Veterans
10 Affairs.

11 ~~(c) Interest-bearing obligations of the International~~
12 ~~Bank for Reconstruction and Development, the Inter-American~~
13 ~~Development Bank, the African Development Bank, the~~
14 ~~International Finance Corporation, the Asian Development Bank,~~
15 ~~the European Investment Bank, or the Nordic Investment Bank.~~

16 (c)(d) Investments collateralized by first mortgages
17 covering single-family Florida residences, provided such
18 mortgages do not exceed \$60,000, do not exceed 80 percent of
19 value, are not delinquent, and are originated by a lender
20 regulated by the state or Federal Government and the aggregate
21 of the collateral furnished is at least 150 percent of the
22 aggregate investment under this subsection. The mortgages
23 used for collateral shall be segregated by the lending
24 institution so that such segregation may be confirmed by
25 independent audit. In the event any such mortgage used as
26 collateral becomes more than 3 months delinquent, the lender
27 shall immediately substitute therefor a mortgage of equal or
28 greater value.

29 (d) Mortgage securities which represent participation
30 in or are collateralized by mortgage loans secured by real
31 property. Such securities must be issued by an agency of or

1 enterprise sponsored by the United States Government,
2 including, but not limited to, the Government National
3 Mortgage Association, the Federal National Mortgage
4 Association, and the Federal Home Loan Mortgage Corporation.

5 ~~(e) Mortgage pass-through certificates, meaning~~
6 ~~certificates evidencing ownership of an undivided interest in~~
7 ~~pools of conventional mortgages on real property which is~~
8 ~~improved by a building or buildings used for residential~~
9 ~~purposes for one to four families when:~~

- 10 1. ~~Such real property is located in this state;~~
11 2. ~~Such mortgages are originated by one or more banks~~
12 ~~or savings and loan associations organized under the laws of~~
13 ~~this state, by national banks or federal savings and loan~~
14 ~~associations having their principal place of business in this~~
15 ~~state, or by a lender that is approved by the Secretary of~~
16 ~~Housing and Urban Development for the participation in any~~
17 ~~mortgage insurance program under the National Housing Act and~~
18 ~~has its principal place of business in this state, or by any~~
19 ~~combination thereof; and~~
20 3. ~~Such mortgages are transferred or assigned to a~~
21 ~~corporate trustee acting for the benefit of the holders of~~
22 ~~such certificates.~~

23 ~~(f) Obligations of the Federal National Mortgage~~
24 ~~Association.~~

25 (e)(g) Group annuity contracts of the pension
26 investment type with insurers licensed to do business in this
27 state, except that amounts invested by the board with any one
28 insurer shall not exceed 3 percent of its assets.

29 (f)(h) Certain interests in real property and related
30 personal property, including mortgages and related instruments
31 on commercial or industrial real property, with provisions for

1 equity or income participation or with provisions for
2 convertibility to equity ownership; and interests in
3 collective investment funds. Associated expenditures for
4 acquisition and operation of assets purchased under this
5 provision shall be included as a part of the cost of the
6 investment.

7 1. The title to real property acquired under this
8 paragraph shall be vested in the name of the respective fund.

9 2. For purposes of taxation of property owned by any
10 fund, the provisions of s. 196.199(2)(b) do not apply.

11 3. Real property acquired under the provisions of this
12 paragraph shall not be considered state lands or public lands
13 and property as defined in chapter 253, and the provisions of
14 that chapter do not apply to such real property.

15 (g)~~(i)~~ General obligations backed by the full faith
16 and credit of a foreign government which has not defaulted on
17 similar obligations for a minimum period of 25 years prior to
18 purchase of the obligation and has met its payments of similar
19 obligations when due.

20 (h)~~(j)~~ A portion of the funds available for investment
21 pursuant to this subsection may be invested in rated or
22 unrated bonds, notes, or instruments backed by the full faith
23 and credit of the government of Israel.

24 (i)~~(k)~~ Obligations of agencies of the government of
25 the United States, provided such obligations have been
26 included in and authorized by the Florida Retirement System
27 Total Fund Investment Plan established in s. 215.475.

28 (j)~~(l)~~ United States dollar-denominated obligations
29 issued by foreign governments, or political subdivisions or
30 agencies thereof, supranational agencies,~~or~~ foreign
31 corporations,~~or~~ foreign commercial entities.

1 (3) With no more than 80 percent of any fund in common
2 stock, preferred stock, and interest-bearing obligations of a
3 corporation having an option to convert into common stock,
4 provided:

5 (a) The corporation is organized under the laws of the
6 United States, any state or organized territory of the United
7 States, or the District of Columbia; or

8 (b) The corporation is listed on any one or more of
9 the recognized national stock exchanges in the United States
10 and conforms with the periodic reporting requirements under
11 the Securities Exchange Act of 1934.

12 (c) Not more than 75 ~~50~~ percent of the fund may be in
13 internally managed common stock.

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15 The board shall not invest more than 10 percent of the equity
16 assets of any fund in the common stock, preferred stock, and
17 interest-bearing obligations having an option to convert into
18 common stock, of any one issuing corporation; and the board
19 shall not invest more than 3 percent of the equity assets of
20 any fund in such securities of any one issuing corporation
21 except to the extent a higher percentage of the same issue is
22 included in a nationally recognized market index, based on
23 market values, at least as broad as the Standard and Poor's
24 Composite Index of 500 Companies, or except upon a specific
25 finding by the board that such higher percentage is in the
26 best interest of the fund. ~~The board may only sell listed
27 options to reduce investment risk, to improve cash flow, or to
28 provide alternative means for the purchase and sale of
29 underlying investment securities. Reversing transactions may
30 be made to close out existing option positions.~~

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1 (4) With no more than 80 percent of any fund, in
2 interest-bearing obligations with a fixed maturity of any
3 corporation or commercial entity within the United States.

4 (5) With no more than 20 ~~10~~ percent of any fund in
5 corporate obligations and securities of any kind of a foreign
6 corporation or a foreign commercial entity having its
7 principal office located in any country other than the United
8 States of America or its possessions or territories, not
9 including United States dollar-denominated securities listed
10 and traded on a United States exchange which are a part of the
11 ordinary investment strategy of the board.

12 (6) With no more than 5 percent of any fund to be
13 invested as deemed appropriate by the board, notwithstanding
14 investment limitations otherwise expressed in this section.
15 Prior to the board engaging in any investment activity not
16 otherwise authorized under ss. 215.44-215.53, excluding
17 investments in publicly traded securities, options, financial
18 futures, or similar instruments, the board shall present to
19 the Investment Advisory Council a proposed plan for such
20 investment. Said plan shall include, but not be limited to,
21 the expected benefits and potential risks of such activity;
22 methods for monitoring and measuring the performance of the
23 investment; a complete description of the type, nature, extent
24 and purpose of the investment, including description of
25 issuer, security in which investment is proposed to be made,
26 voting rights or lack thereof and control to be acquired,
27 restrictions upon voting, transfer, and other material rights
28 of ownership, and the existence of any contracts,
29 arrangements, understandings, or relationships with any person
30 or entity (naming the same) with respect to the proposed
31 investment; and assurances that sufficient investment

1 expertise is available to the board to properly evaluate and
2 manage such activity. The Investment Advisory Council may
3 obtain independent investment counsel to provide expert advice
4 with regard to such proposed investment activity by the board,
5 and the board shall defray such costs.

6 (7) For the purpose of determining the above
7 investment limitations, the value of bonds shall be the par
8 value thereof, and the value of evidences of ownership and
9 interest-bearing obligations having an option to convert to
10 ownership shall be the cost thereof.

11 (8) Investments in any securities authorized by this
12 section may be under repurchase agreements or reverse
13 repurchase agreements.

14 (9) Investments made by the State Board of
15 Administration shall be designed to maximize the financial
16 return to the fund consistent with the risks incumbent in each
17 investment and shall be designed to preserve an appropriate
18 diversification of the portfolio. The board shall discharge
19 its duties with respect to a plan solely in the interest of
20 its participants and beneficiaries. The board in performing
21 the above investment duties shall comply with the fiduciary
22 standards set forth in the Employee Retirement Income Security
23 Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A) through (C). In case
24 of conflict with other provisions of law authorizing
25 investments, the investment and fiduciary standards set forth
26 in this subsection shall prevail.

27 (10) The board is authorized to buy and sell futures
28 and options, provided the instruments for such purpose are
29 traded on a securities exchange or board of trade regulated by
30 the Securities and Exchange Commission or the Commodity
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1 Futures Trading Commission, unless the board by rule
2 authorizes a different market.

3 (11) The board is authorized to invest in domestic or
4 foreign notional principal contracts.

5 (12) The State Board of Administration, consistent
6 with sound investment policy, may pledge up to 2 percent of
7 the assets of the Florida Retirement System Trust Fund as
8 collateral for housing bonds issued by the State of Florida or
9 its political subdivisions under chapter 159, part V of
10 chapter 420, or chapter 421 as a supplemental income program
11 for the system. With regard to any collateral program, the
12 State Board of Administration is authorized to coordinate or
13 retain other governmental entities of the State of Florida or
14 private entities to administer this program, as well as
15 receive fees for the use of the designated collateral.

16 (13) The State Board of Administration, consistent
17 with sound investment policy, may invest the earnings accrued
18 and collected upon the investment of the minimum balance of
19 funds required to be maintained in the State Transportation
20 Trust Fund pursuant to s. 339.135~~(6)~~~~(7)~~(b). Such investment
21 shall be limited as provided in s. 288.9607(7).

22 (14) With no more than 5 percent of any fund in
23 private equity through participation in limited partnerships
24 and limited liability companies.

25 (15) The State Board of Administration is authorized
26 to invest in domestic and foreign group trusts.

27 (16) Securities or investments purchased or held under
28 the provisions of this section may be loaned to securities
29 dealers or financial institutions, provided the loan is
30 collateralized by cash or securities having a market value of
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1 at least 100 percent of the market value of the securities
2 loaned.

3 Section 3. Section 215.455, Florida Statutes, is
4 repealed.

5 Section 4. Subsection (4) of section 215.50, Florida
6 Statutes, is amended to read:

7 215.50 Custody of securities purchased; income.--

8 (4) Securities that the board selects to use for
9 options operations under s. 215.45 or for lending under s.
10 215.47(16)~~215.455~~ shall be registered by the Treasurer in the
11 name of a third-party nominee in order to facilitate such
12 operations.

13 Section 5. Section 215.515, Florida Statutes, is
14 amended to read:

15 215.515 Investment accounts; charges for services.--

16 (1) The State Board of Administration shall make
17 reasonable charges for all investment services performed for
18 any agency, the judicial branch, or any fund in accordance
19 with the provisions of ss. 215.44-215.53 or other provisions
20 of law. The agency, fund, or judicial branch shall pay the
21 charges, and such sums as may be necessary for this purpose
22 are hereby appropriated from earnings on investments held by
23 such agency, fund, or the judicial branch. The amount to be
24 paid by each agency, fund, or the judicial branch shall be
25 determined in such proportion as the service rendered to each
26 agency, fund, or the judicial branch bears to the total
27 service rendered to all agencies and funds and the judicial
28 branch.

29 ~~(2) The charges established and any revisions thereof~~
30 ~~shall be reviewed by the Department of Management Services.~~
31 ~~The review, and any recommendations of the Department of~~

1 ~~Management Services accompanying the review, may be considered~~
2 ~~by the board prior to the adoption of the charges or revision~~
3 ~~thereof by the board.~~

4 (2)~~(3)~~ The State Board of Administration
5 Administrative Expense Trust Fund may be invested by the board
6 to the extent that such investment is consistent with the cash
7 requirements and investment objectives of the board.

8 Section 6. Section 215.835, Florida Statutes, is
9 amended to read:

10 215.835 Rulemaking authority.--The Division of Bond
11 Finance and the State Board of Administration may adopt rules
12 deemed as it deems necessary to carry out the provisions and
13 intent of this act, including, but not limited to, reporting
14 of debt service accounts.

15 Section 7. Section 159.825, Florida Statutes, is
16 amended to read:

17 159.825 Terms of bonds.--

18 (1) The ordinance, resolution, indenture, agreement,
19 or other instrument providing for the issuance of taxable
20 bonds may provide for any of the following:

21 (a)~~(1)~~ The bonds shall be in such denominations, in
22 such form, either bearer or registered, and payable at such
23 place or places, either within or without the United States,
24 at such time or times, as, in each case, the governing body
25 shall determine subject to any limitations on the maturity of
26 bonds set forth in the statutes under authority of which the
27 bonds are issued.

28 (b)~~(2)~~ The bonds shall be payable in legal tender of
29 the United States, in a foreign currency, in commodities, or
30 in precious metals, as the governing body shall determine.

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1 (c)~~(3)~~ The governing body may appoint, in connection
2 with the bond issue, a cotrustee located outside of the
3 boundaries of the United States or its territories or
4 possessions so long as it shall also appoint a trustee
5 otherwise meeting the requirements of the statutes under
6 authority of which the bonds are issued. The governing body
7 may appoint, in connection with the bond issue, a paying agent
8 or a copaying agent located outside the boundaries of the
9 United States or its territories or possessions.

10 (d)~~(4)~~ Bonds shall bear interest at a rate not to
11 exceed an average net interest cost rate, which shall be
12 computed by adding 500 basis points to the 30-year Treasury
13 Bond yield published in The Bond Buyer immediately preceding
14 the first day of the calendar month in which the bonds are
15 sold. If the interest rate on bonds bearing a floating or
16 variable rate of interest as calculated on the date of the
17 initial sale thereof does not exceed the limitation provided
18 by this paragraph ~~section~~, so long as the basis, method, or
19 formula for computing the floating or variable rate does not
20 change during the life of the bonds, subsequent increases in
21 the interest rate in accordance with said basis, method, or
22 formula shall not cause the interest rate on the bonds to
23 violate the limitation provided by this paragraph ~~subsection~~.
24 A certificate by the issuer of the bonds as to the computation
25 of the interest rate in compliance with this requirement shall
26 be deemed conclusive evidence of compliance with the
27 provisions of this paragraph ~~subsection~~. Such maximum rate
28 does not apply to bonds rated by a nationally recognized
29 rating service in any one of the three highest
30 classifications, which rating services and classifications are
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1 determined pursuant to rules adopted by the State Board of
2 Administration.

3 ~~(e)(5)~~ Upon the request of a governmental unit, the
4 State Board of Administration may authorize, for a specific
5 issue or reissue of bonds, a rate of interest in excess of the
6 maximum rate prescribed in paragraph (d)~~subsection (4)~~. The
7 governmental unit shall provide in its request:

8 1.(a) Relevant supporting data which shall include,
9 but not be limited to:

10 a.1. The official statement or prospectus, if
11 available, or similar information relating to the sale of the
12 bonds;

13 b.2. The resolution or ordinance authorizing the
14 issuance of the bonds;

15 c.3. Financial data relating to anticipated revenue,
16 debt service, and coverage; and

17 d.4. The most recent financial statement of the
18 governmental unit.

19 2.(b) Information relating to sale of the bonds,
20 including the amount of the discount, if any. In making the
21 determination to exceed the maximum interest rate, the State
22 Board of Administration shall consider, but not be limited to
23 considering, comparable sales of other taxable bonds of other
24 governmental units and evidence that the objectives and intent
25 of the issuing of such bonds will be realized. This
26 subparagraph ~~paragraph~~ shall not apply to:

27 a.1. Bonds which have been sold prior to June 30,
28 1987, and which are delivered pursuant to said sale on or
29 after June 30, 1987.

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1 ~~b.2.~~ Bonds issued to finance projects under part II,
2 part III, or part V of this chapter or health facilities under
3 part III of chapter 154.

4 c.3. Limit or restrict the rate of interest on bonds
5 or other obligations of municipal utilities or agencies
6 thereof issued or made pursuant to authority provided in part
7 II of chapter 166 and s. 215.431.

8 (f)(6) In connection with, or incidental to, the sale
9 and issuance of bonds, the governmental unit may enter into
10 any contracts which the governing body determines to be
11 necessary or appropriate to achieve a desirable effective
12 interest rate in connection with the bonds by means of, but
13 not limited to, contracts commonly known as investment
14 contracts, funding agreements, interest rate swap agreements,
15 currency swap agreements, forward payment conversion
16 agreements, futures, or contracts providing for payments based
17 on levels of or changes in interest rates, or contracts to
18 exchange cash flows or a series of payments, or contracts,
19 including, without limitation, options, puts, or calls to
20 hedge payment, rate, spread, or similar exposure. Such
21 contracts or arrangements may also be entered into by
22 governmental units in connection with, or incidental to,
23 entering into any agreement which secures bonds or provides
24 liquidity therefor. Such contracts and arrangements shall be
25 made upon the terms and conditions established by the
26 governing body, after giving due consideration for the credit
27 worthiness of the counterparties, where applicable, including
28 any rating by a nationally recognized rating service or any
29 other criteria as may be appropriate.

30 (g)(7) In connection with, or incidental to, the sale
31 and issuance of the bonds, or entering into any of the

1 contracts or arrangements referred to in paragraph (f)
2 ~~subsection (6)~~, the governmental unit may enter into such
3 credit enhancement or liquidity agreements, with such payment,
4 interest rate, security, default, remedy, and other terms and
5 conditions as the governing body shall determine.

6 (h)(8) Notwithstanding any provisions of state law
7 relating to the investment or reinvestment of surplus funds of
8 any governmental unit, proceeds of the bonds and any moneys
9 set aside or pledged to secure payment of the principal of,
10 premium, if any, and interest on the bonds, or any of the
11 contracts entered into pursuant to paragraph (f)~~subsection~~
12 ~~(6)~~, may be invested in securities or obligations described in
13 the ordinance or resolution providing for the issuance of the
14 bonds.

15 (2) The State Board of Administration may adopt rules
16 as it deems necessary to carry out the provisions of this
17 section relating to interest rate waivers for the sale of
18 taxable bonds.

19 Section 8. Subsection (2) of section 190.016, Florida
20 Statutes, is amended to read:

21 190.016 Bonds.--

22 (2) AUTHORIZATION AND FORM OF BONDS.--Any general
23 obligation bonds, benefit bonds, or revenue bonds may be
24 authorized by resolution or resolutions of the board which
25 shall be adopted by a majority of all the members thereof then
26 in office. Such resolution or resolutions may be adopted at
27 the same meeting at which they are introduced and need not be
28 published or posted. The board may, by resolution, authorize
29 the issuance of bonds and fix the aggregate amount of bonds to
30 be issued; the purpose or purposes for which the moneys
31 derived therefrom shall be expended, including, but not

1 limited to, payment of costs as defined in s. 190.003(7); the
2 rate or rates of interest, in compliance with s. 215.84; the
3 denomination of the bonds; whether or not the bonds are to be
4 issued in one or more series; the date or dates of maturity,
5 which shall not exceed 40 years from their respective dates of
6 issuance; the medium of payment; the place or places within or
7 without the state where payment shall be made; registration
8 privileges; redemption terms and privileges, whether with or
9 without premium; the manner of execution; the form of the
10 bonds, including any interest coupons to be attached thereto;
11 the manner of execution of bonds and coupons; and any and all
12 other terms, covenants, and conditions thereof and the
13 establishment of revenue or other funds. Such authorizing
14 resolution or resolutions may further provide for the
15 contracts authorized by s. 159.825(1)(f) and (g)~~(6) and (7)~~
16 regardless of the tax treatment of such bonds being
17 authorized, subject to the finding by the board of a net
18 saving to the district resulting by reason thereof. Such
19 authorizing resolution may further provide that such bonds may
20 be executed in accordance with the Registered Public
21 Obligations Act, except that bonds not issued in registered
22 form shall be valid if manually countersigned by an officer
23 designated by appropriate resolution of the board. The seal of
24 the district may be affixed, lithographed, engraved, or
25 otherwise reproduced in facsimile on such bonds. In case any
26 officer whose signature shall appear on any bonds or coupons
27 shall cease to be such officer before the delivery of such
28 bonds, such signature or facsimile shall nevertheless be valid
29 and sufficient for all purposes the same as if he or she had
30 remained in office until such delivery.
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1 Section 9. Subsection (1) of section 218.407, Florida
2 Statutes, is amended to read:

3 218.407 Local government investment authority.--

4 (1) Upon determination by the governing body that it
5 is in the interest of the unit of local government to deposit
6 surplus funds in the trust fund, a resolution by the governing
7 body shall be filed with the State Board of Administration
8 authorizing investment of its surplus funds in the trust fund
9 established by this part. The resolution shall name:

10 (a) The local government official, who may be the
11 chief financial or administrative officer of the local
12 government, or

13 (b) An independent trustee holding funds on behalf of
14 the unit of local government,

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16 responsible for deposit and withdrawal of such funds ~~and shall~~
17 ~~state the approximate cash-flow requirements of the local~~
18 ~~government for the surplus funds to be invested.~~

19 Section 10. Section 218.412, Florida Statutes, is
20 created to read:

21 218.412 Rulemaking authority.--The State Board of
22 Administration may adopt rules as it deems necessary to carry
23 out the provisions of this part for the administration of the
24 Local Government Surplus Funds Trust Fund.

25 Section 11. Section 413.0115, Florida Statutes, is
26 created to read:

27 413.0115 State Board of Administration; authorization
28 to invest division's portfolio.--The State Board of
29 Administration may invest and reinvest the portfolio of
30 stocks, bonds, and mutual funds held by the Division of Blind
31 Services in accordance with the trust agreement approved by

1 the Division of Blind Services and the State Board of
2 Administration and the provisions of ss. 215.44-215.53. The
3 director of the Division of Blind Services shall make the
4 portfolio available and shall transfer it to the State Board
5 of Administration for investment.

6 Section 12. This act shall take effect upon becoming a
7 law.

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