

By Representative Martinez

1 A bill to be entitled
2 An act relating to retirement funds; amending
3 s. 175.071, F.S.; prescribing authorized
4 investments for firefighters' pension trust
5 funds; amending s. 185.06, F.S.; prescribing
6 authorized investments for municipal police
7 officers' retirement trust funds; providing an
8 effective date.

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

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12 Section 1. Paragraph (b) of subsection (1) of section
13 175.071, Florida Statutes, is amended to read:

14 175.071 Powers of board of trustees.--

15 (1) The board of trustees may:

16 (b) Invest and reinvest the assets of the
17 firefighters' pension trust fund in any investment in which
18 assets of the Florida Retirement System may be invested.+

19 ~~1. Time or savings accounts of a national bank, a~~
20 ~~state bank insured by the Federal Deposit Insurance~~
21 ~~Corporation, or a savings, building and loan association~~
22 ~~insured by the Federal Savings and Loan Insurance Corporation.~~

23 ~~2. Obligations of the United States or obligations~~
24 ~~guaranteed as to principal and interest by the Government of~~
25 ~~the United States.~~

26 ~~3. Bonds issued by the State of Israel.~~

27 ~~4. Bonds, stocks, or other evidences of indebtedness~~
28 ~~issued or guaranteed by a corporation organized under the laws~~
29 ~~of the United States, any state or organized territory of the~~
30 ~~United States, or the District of Columbia, provided+~~

31

1 ~~a. The corporation is listed on any one or more of the~~
2 ~~recognized national stock exchanges and holds a rating in one~~
3 ~~of the three highest classifications by a major rating~~
4 ~~service; and~~

5 ~~b. The board of trustees shall not invest more than 5~~
6 ~~percent of its assets in the common stock or capital stock of~~
7 ~~any one issuing company, nor shall the aggregate investment in~~
8 ~~any one issuing company exceed 5 percent of the outstanding~~
9 ~~capital stock of that company or the aggregate of its~~
10 ~~investments under this subparagraph at cost exceed 30 percent~~
11 ~~of the assets of the fund.~~

12
13 ~~This paragraph shall apply to all boards of trustees and~~
14 ~~participants. However, in the event that a municipality or~~
15 ~~special fire control district has a duly enacted pension plan~~
16 ~~pursuant to, and in compliance with, s. 175.351, and the~~
17 ~~trustees thereof desire to vary the investment procedures~~
18 ~~herein, the trustees of such plan shall request a variance of~~
19 ~~the investment procedures as outlined herein only through a~~
20 ~~municipal ordinance, special act of the Legislature, or~~
21 ~~resolution by the governing body of the special fire control~~
22 ~~district; where a special act, or a municipality by ordinance~~
23 ~~adopted prior to October 1, 1986, permits a greater than~~
24 ~~30-percent equity investment, such municipality shall not be~~
25 ~~required to comply with the aggregate equity investment~~
26 ~~provisions of this paragraph. Investments shall not be made~~
27 ~~in any stocks, bonds, or other securities owned or controlled~~
28 ~~by a government other than that of the United States or the~~
29 ~~several states.~~

30 Section 2. Paragraph (b) of subsection (1) of section
31 185.06, Florida Statutes, is amended to read:

1 185.06 Powers of board of trustees.--
2 (1) The board of trustees may:
3 (b) Invest and reinvest the assets of the retirement
4 trust fund in any investment in which assets of the Florida
5 Retirement System may be invested.+

6 1. ~~Time or savings accounts of a national bank, a~~
7 ~~state bank insured by the Federal Deposit Insurance~~
8 ~~Corporation, or a savings and loan association insured by the~~
9 ~~Federal Savings and Loan Insurance Corporation.~~

10 2. ~~Obligations of the United States or obligations~~
11 ~~guaranteed as to principal and interest by the United States.~~

12 3. ~~Bonds issued by the State of Israel.~~

13 4. ~~Bonds, stocks, or other evidences of indebtedness~~
14 ~~issued or guaranteed by a corporation organized under the laws~~
15 ~~of the United States, any state or organized territory of the~~
16 ~~United States, or the District of Columbia, provided:~~

17 a. ~~The corporation is listed on any one or more of the~~
18 ~~recognized national stock exchanges and holds a rating in one~~
19 ~~of the three highest classifications by a major rating~~
20 ~~service; and~~

21 b. ~~The board of trustees shall not invest more than 5~~
22 ~~percent of its assets in the common stock or capital stock of~~
23 ~~any one issuing company, nor shall the aggregate investment in~~
24 ~~any one issuing company exceed 5 percent of the outstanding~~
25 ~~capital stock of the company or the aggregate of its~~
26 ~~investments under this subparagraph at cost exceed 30 percent~~
27 ~~of the fund's assets.~~

28
29 ~~This paragraph shall apply to all boards of trustees and~~
30 ~~participants. However, in the event that a municipality has a~~
31 ~~duly enacted pension plan pursuant to, and in compliance with,~~

1 ~~s. 185.35 and the trustees thereof desire to vary the~~
2 ~~investment procedures herein, the trustees of such plan shall~~
3 ~~request a variance of the investment procedures as outlined~~
4 ~~herein only through a municipal ordinance or special act of~~
5 ~~the Legislature; where a special act, or a municipality by~~
6 ~~ordinance adopted prior to October 1, 1986, permits a greater~~
7 ~~than 30 percent equity investment, such municipality shall not~~
8 ~~be required to comply with the aggregate equity investment~~
9 ~~provisions of this paragraph. Investments shall not be made in~~
10 ~~any stocks, bonds, or other securities owned or controlled by~~
11 ~~a government other than that of the United States or of the~~
12 ~~several states.~~

13 Section 3. This act shall take effect upon becoming a
14 law.

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17 SENATE SUMMARY

18 Authorizes the investment of assets of firefighters'
19 pension trust funds and municipal police officers'
20 retirement trust funds in any investment in which assets
21 of the Florida Retirement System may be invested.
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