

By the Committee on Governmental Operations and
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.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
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:

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

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

25 3. Bonds issued by the State of Israel.

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

30 a. The corporation is listed on any one or more of the
31 recognized national stock exchanges and holds a rating in one

1 of the three highest classifications by a major rating
2 service; and

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

10

11 This paragraph shall apply to all boards of trustees and
12 participants. However, in the event that a municipality or
13 special fire control district has a duly enacted pension plan
14 pursuant to, and in compliance with, s. 175.351, and the
15 trustees thereof desire to vary the investment procedures
16 herein, the trustees of such plan shall request a variance of
17 the investment procedures as outlined herein only through a
18 municipal ordinance, special act of the Legislature, or
19 resolution by the governing body of the special fire control
20 district; where a special act, or a municipality by ordinance
21 adopted prior to October 1, 1986, permits a greater than
22 30-percent equity investment, such municipality shall not be
23 required to comply with the aggregate equity investment
24 provisions of this paragraph. Up to 10 percent of the plan's
25 assets may be invested in foreign investments without
26 restrictions. The money manager must, on a quarterly basis,
27 disclose the ratings of these investments to the Board of
28 Trustees.~~Investments shall not be made in any stocks, bonds,~~
29 ~~or other securities owned or controlled by a government other~~
30 ~~than that of the United States or the several states.~~

31

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

3 185.06 Powers of board of trustees.--

4 (1) The board of trustees may:

5 (b) Invest and reinvest the assets of the retirement
6 trust fund in:

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

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

13 3. Bonds issued by the State of Israel.

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

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

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

29
30 This paragraph shall apply to all boards of trustees and
31 participants. However, in the event that a municipality has a

1 duly enacted pension plan pursuant to, and in compliance with,
2 s. 185.35 and the trustees thereof desire to vary the
3 investment procedures herein, the trustees of such plan shall
4 request a variance of the investment procedures as outlined
5 herein only through a municipal ordinance or special act of
6 the Legislature; where a special act, or a municipality by
7 ordinance adopted prior to October 1, 1986, permits a greater
8 than 30-percent equity investment, such municipality shall not
9 be required to comply with the aggregate equity investment
10 provisions of this paragraph. Up to 10 percent of the plan's
11 assets may be invested in foreign investments without
12 restrictions. The money manager must, on a quarterly basis,
13 disclose the ratings of these investments to the Board of
14 Trustees. ~~Investments shall not be made in any stocks, bonds,~~
15 ~~or other securities owned or controlled by a government other~~
16 ~~than that of the United States or of the several states.~~

17 Section 3. This act shall take effect upon becoming a
18 law.

19
20
21
22
23
24
25
26
27
28
29
30
31