

532-223AX-06

Bill No. HB 1883

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Posey offered the following:

**Amendment (with title amendment)**

On page 40, between lines 6 & 7,

insert:

Section 17. Paragraph (b) of subsection (1) of section 175.071, Florida Statutes, 1998 Supplement, is amended to read:

175.071 General powers and duties of board of trustees.--For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) The board of trustees may:

(b) Invest and reinvest the assets of the firefighters' pension trust fund in:

1. Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association insured by the Savings Association Insurance Fund which is administered by the

1 Federal Deposit Insurance Corporation or a state or federal  
2 chartered credit union whose share accounts are insured by the  
3 National Credit Union Share Insurance Fund.

4 2. Obligations of the United States or obligations  
5 guaranteed as to principal and interest by the government of  
6 the United States.

7 3. Bonds issued by the State of Israel.

8 4. Bonds, stocks, or other evidences of indebtedness  
9 issued or guaranteed by a corporation organized under the laws  
10 of the United States, any state or organized territory of the  
11 United States, or the District of Columbia, provided:

12 a. The corporation is listed on any one or more of the  
13 recognized national stock exchanges or on the National Market  
14 System of the Nasdaq Stock Market and, in the case of bonds  
15 only, holds a rating in one of the three highest  
16 classifications by a major rating service; and

17 b. The board of trustees shall not invest more than 5  
18 percent of its assets in the common stock or capital stock of  
19 any one issuing company, nor shall the aggregate investment in  
20 any one issuing company exceed 5 percent of the outstanding  
21 capital stock of that company or the aggregate of its  
22 investments under this subparagraph at cost exceed 50 percent  
23 of the assets of the fund.

24  
25 This paragraph shall apply to all boards of trustees and  
26 participants. However, in the event that a municipality or  
27 special fire control district has a duly enacted pension plan  
28 pursuant to, and in compliance with, s. 175.351, and the  
29 trustees thereof desire to vary the investment procedures  
30 herein, the trustees of such plan shall request a variance of  
31 the investment procedures as outlined herein only through a

1 municipal ordinance, special act of the Legislature, or  
2 resolution by the governing body of the special fire control  
3 district; where a special act, or a municipality by ordinance  
4 adopted prior to July 1, 1998, permits a greater than  
5 50-percent equity investment, such municipality shall not be  
6 required to comply with the aggregate equity investment  
7 provisions of this paragraph. Notwithstanding any other  
8 provision of law to the contrary, nothing in this section may  
9 be construed to take away any preexisting legal authority to  
10 make equity investments that exceed the requirements of this  
11 paragraph. The board of trustees may invest up to 10 percent  
12 of plan assets in foreign securities.

13 Section 18. Paragraph (b) of subsection (1) of section  
14 185.06, Florida Statutes, 1998 Supplement, is amended to read:

15 185.06 General powers and duties of board of  
16 trustees.--For any municipality, chapter plan, local law  
17 municipality, or local law plan under this chapter:

18 (1) The board of trustees may:

19 (b) Invest and reinvest the assets of the retirement  
20 trust fund in:

21 1. Time or savings accounts of a national bank, a  
22 state bank insured by the Bank Insurance Fund, or a savings  
23 and loan association insured by the Savings Association  
24 Insurance Fund which is administered by the Federal Deposit  
25 Insurance Corporation or a state or federal chartered credit  
26 union whose share accounts are insured by the National Credit  
27 Union Share Insurance Fund.

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

30 3. Bonds issued by the State of Israel.

31 4. Bonds, stocks, or other evidences of indebtedness

1 issued or guaranteed by a corporation organized under the laws  
2 of the United States, any state or organized territory of the  
3 United States, or the District of Columbia, provided:

4 a. The corporation is listed on any one or more of the  
5 recognized national stock exchanges or on the National Market  
6 System of the Nasdaq Stock Market and, in the case of bonds  
7 only, holds a rating in one of the three highest  
8 classifications by a major rating service; and

9 b. The board of trustees shall not invest more than 5  
10 percent of its assets in the common stock or capital stock of  
11 any one issuing company, nor shall the aggregate investment in  
12 any one issuing company exceed 5 percent of the outstanding  
13 capital stock of the company or the aggregate of its  
14 investments under this subparagraph at cost exceed 50 percent  
15 of the fund's assets.

16  
17 This paragraph shall apply to all boards of trustees and  
18 participants. However, in the event that a municipality has a  
19 duly enacted pension plan pursuant to, and in compliance with,  
20 s. 185.35 and the trustees thereof desire to vary the  
21 investment procedures herein, the trustees of such plan shall  
22 request a variance of the investment procedures as outlined  
23 herein only through a municipal ordinance or special act of  
24 the Legislature; where a special act, or a municipality by  
25 ordinance adopted prior to July 1, 1998, permits a greater  
26 than 50-percent equity investment, such municipality shall not  
27 be required to comply with the aggregate equity investment  
28 provisions of this paragraph. Notwithstanding any other  
29 provision of law to the contrary, nothing in this section may  
30 be construed to take away any preexisting legal authority to  
31 make equity investments that exceed the requirements of this

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1 paragraph. The board of trustees may invest up to 10 percent  
2 of plan assets in foreign securities.

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5 ===== T I T L E A M E N D M E N T =====

6 And the title is amended as follows:

7 On page 2, line 25

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9 after the semicolon insert:

10 amending ss. 175.071 and 185.06, F.S. ;  
11 providing, with respect to the board of  
12 trustees for municipal firefighters' pension  
13 trust funds and municipal police officers'  
14 retirement trust funds that the board may  
15 invest in corporations on the National Market  
16 System of the Nasdaq Stock Market ;

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