

Amendment No. 01 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

11 Representative(s) Sublette and Johnson offered the following:

13 **Amendment**

14 On page 18, line 11 of the bill

16 after the period, insert:

17 All funds of the hospital board shall be deposited in
18 banks which are qualified under state law to accept deposits
19 of public funds. The hospital board may deposit or invest its
20 surplus funds in interest-bearing accounts, instruments, or
21 securities, to the fullest extent permitted by general law.
22 In addition, the hospital board may invest its surplus funds
23 as follows:

24 (1) Without limitation in:

25 (a) Bonds, notes, or other obligations of the United
26 States or those guaranteed by the United States or for which
27 the credit of the United States is pledged for the payment of
28 the principal and interest or dividends thereof.

29 (b) State bonds pledging the full faith and credit of
30 the state and revenue bonds additionally secured by the full
31 faith and credit of the state.

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1 (c) Bonds of the several counties or districts in the
2 state containing a pledge of the full faith and credit of the
3 county of district involved.

4 (d) Savings accounts in, or certificates of deposit
5 of, any bank, savings bank, or savings and loan association
6 incorporated under the laws of the United States doing
7 business and situated in this state, the accounts of which are
8 insured by the Federal Government or an agency thereof, in an
9 amount that does not exceed 15 percent of the net worth of the
10 institution, provided such savings accounts and certificates
11 of deposit are secured in the manner prescribed in chapter
12 280, Florida Statutes.

13 (e) Obligations of the Federal Farm Credit Banks and
14 obligations of the Federal Home Loan Bank and its district
15 banks.

16 (f) Obligations of the Federal Home Loan Mortgage
17 Corporation including participation certificates.

18 (g) Obligations guaranteed by the Government National
19 Mortgage Association.

20 (h) Commercial paper of prime quality of the highest
21 letter and numerical rating as provided for by at least one
22 nationally recognized rating service.

23 (i) Time drafts or bills or exchange drawn on and
24 accepted by a commercial bank, otherwise known as banker's
25 acceptances, which are accepted by a member bank of the
26 Federal Reserve System having total deposits of not less than
27 \$400 million.

28 (j) Short-term obligations not authorized elsewhere in
29 this section to be purchased individually or in pooled
30 accounts or other collective investment funds, for the purpose
31 of providing liquidity to any fund or portfolio.

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1 (k) Securities of, or other interest in, any open-end
2 or closed-end management type investment company or investment
3 trust registered under the Investment Company Act of 1940, 15
4 U.S.C. ss. 60a-1 et seq., as amended from time to time,
5 provided that the portfolio of such investment company or
6 investment trust is limited to obligations of the United
7 States Government or any agency or instrumentality thereof and
8 to repurchase agreements fully collateralized by such United
9 States Government obligations and provided that such
10 investment company or investment trust takes delivery of such
11 collateral either directly or through an authorized custodian.

12 (2) With no more than 25 percent of its funds in:
13 (a) Bonds, notes, or obligations of any municipality
14 or political subdivision or any agency or authority of this
15 state, if such obligations are rated in any one of the three
16 highest ratings by two nationally recognized rating services.
17 However, if only one nationally recognized rating service
18 shall rate such obligations, then such rating service must
19 have rated such obligations in any one or the two highest
20 classifications heretofore mentioned.

21 (b) Notes secured by first mortgages on Florida real
22 property, insured or guaranteed by the Federal Housing
23 Administration or the United States Department of Veterans
24 Affairs.

25 (c) Mortgage pass-through certificates, meaning
26 certificates evidencing ownership of an undivided interest in
27 pools of conventional mortgages on real property which is
28 improved by a building or buildings used for residential
29 purposes for one to four families when:

- 30 1. Such real property is located in this state;
31 2. Such mortgages are originated by one or more banks

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1 or savings and loan associations organized under the laws of
2 this state, by national banks or federal savings and loan
3 associations having their principle place of business in this
4 state, or by a lender that is approved by the Secretary of
5 Housing and Urban Development for the participation in any
6 mortgage insurance program under the National Housing Act and
7 has its principal place of business in this state, or by any
8 combination thereof; and

9 3. Such mortgages are transferred or assigned to a
10 corporate trustee acting for the benefit of the holders of
11 such certificates.

12 (d) Obligations of the Federal National Mortgage
13 Association.

14 (e) Group annuity contracts of the pension investment
15 type with insurers licensed to do business in the state except
16 that amounts invested by the board with any one insurer shall
17 not exceed 3 percent of its assets.

18 ((f) Certain interests in real property and related
19 personal property, including mortgages and related instruments
20 on commercial or industrial real property, with provisions for
21 equity or income participation or with provisions for
22 convertibility to equity ownership; and interests in
23 collective investment funds. Associated expenditures for
24 acquisition and operation of assets purchased under this
25 provision shall be included as a part of the cost of the
26 investment.

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

29 2. For purpose of taxation of property owned by any
30 fund, the provisions of s. 196.199(2)(b), Florida Statutes, do
31 not apply.

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1 3. Real property acquired under the provisions of this
2 paragraph shall not be considered state lands or public lands
3 and property as defined in chapter 253, Florida Statutes, and
4 the provisions of that chapter do not apply to such real
5 property.

6 (e) Group annuity contracts of the pension investment
7 type with insurers licensed to do business in the state except
8 that amounts invested by the board with any one insurer shall
9 not exceed 3 percent of its assets.

10 ((f) Certain interests in real property and related
11 personal property, including mortgages and related instruments
12 on commercial or industrial real property, with provisions for
13 equity or income participation or with provisions for
14 convertibility to equity ownership; and interests in
15 collective investment funds. Associated expenditures for
16 acquisition and operation of assets purchased under this
17 provision shall be included as a part of the cost of the
18 investment.

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

21 2. For purposes of taxation of property owned by any
22 fund, the provisions of s. 196.199(2)(b), Florida Statutes, do
23 not apply.

24 3. Real property acquired under the provisions of this
25 paragraph shall not be considered state lands or public lands
26 and property as defined in chapter 253, Florida Statutes, and
27 the provisions of that chapter do not apply to such property.

28 (g) General obligations backed by the full faith and
29 credit of a foreign government which has not defaulted on
30 similar obligations for a minimum period of 25 years prior to
31 purchase of the obligation and has met its payments of similar

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1 obligations when due.

2 (h) Obligations of agencies of the government of the
3 United States, provided such obligations have been included in
4 and authorized by the Florida Retirement System Total Fund
5 Investment Plan established in s. 215.475, Florida Statutes.

6 (i) United States dollar-denominated obligations by
7 foreign governments, or political subdivisions or agencies
8 thereof, or foreign corporations or foreign commercial
9 entities.

10 (3) With no more than 50 percent of its funds in
11 common stock, preferred stock, and interest-bearing
12 obligations of a corporation having an option to convert into
13 common stock, provided:

14 (a) The corporation is organized under the laws of the
15 United States, any state or organized territory of the United
16 States, or the District of Columbia.

17 (b) The corporation is listed on any one or more of
18 the recognized national stock exchanges in the United States
19 and conforms with the periodic reporting requirements under
20 the Securities Exchange Act of 1934.3

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22 The board shall not invest more than 10 percent of the equity
23 assets of its funds in the common stock, preferred stock, and
24 interest-bearing obligations having an option to convert into
25 common stock, of any one issuing corporation; and the board
26 shall not invest more than 3 percent of the equity assets of
27 any funds in such securities of any one issuing corporation
28 except to the extent a higher percentage of the same issue is
29 included in a nationally recognized market index, based on
30 market values at least as broad as the Standard and Poor's
31 Composite Index of 500 Companies, or except upon a specific

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1 finding by a board that such higher percentage is in the best
2 interest of the board. The board may only sell listed options
3 to reduce investment risks, to improve cash flow, or to
4 provide alternative means for the purchase and sale of
5 underlying investment securities. Reversing transactions may
6 be made to close out existing option position.

7 (4) With no more than 80 of its funds, in
8 interest-bearing obligations with a fixed maturity of any
9 corporation or commercial entity within the United States.

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11 For the purpose of determining the above investment
12 limitations, the value of bonds shall be the par value
13 thereof, and the value of evidences of ownership and
14 interest-bearing obligations having an option to convert to
15 ownership shall be the cost thereof. Investments in any
16 securities authorized by this section may be under repurchase
17 agreements or reverse repurchase agreements. Investments made
18 by the hospital board administration may be designated to
19 maximize the financial return to the fund consistent with the
20 risks incumbent in each investment and shall be designed to
21 preserve an appropriate diversification of the portfolio. The
22 board is authorized to buy and sell futures and options,
23 provided the instruments for such purpose are traded on a
24 securities exchange or board of trade regulated by the
25 Securities and Exchange Commission or the Commodity Futures
26 Trading Commission, unless the board by rule authorizes a
27 different market. The board is authorized to invest in
28 domestic or foreign national principal contracts.

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