

By the Committee on Banking and Insurance; and Senators  
Latvala and Horne

311-1653-00

1                                   A bill to be entitled  
2           An act relating to trust funds; creating the  
3           Florida Health Endowment Trust Fund within the  
4           State Board of Administration; providing for  
5           sources of moneys in the trust fund; providing  
6           for an annual carryforward of funds; providing  
7           for the earnings of the trust fund to be used  
8           solely for the administration of the Florida  
9           Health Endowment Association for the benefit of  
10          the participants; amending s. 215.22, F.S.;  
11          exempting the trust fund from the deduction  
12          required by s. 215.20(1), F.S.; providing a  
13          contingent effective date.

14  
15 Be It Enacted by the Legislature of the State of Florida:

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17           Section 1. Trust fund.--

18           (1) FLORIDA HEALTH ENDOWMENT TRUST FUND.--There is  
19 created within the State Board of Administration the Florida  
20 Health Endowment Trust Fund. The fund shall consist of state  
21 appropriations, moneys acquired from other governmental or  
22 private sources, premiums paid in accordance with insurance  
23 contracts from the Florida Health Endowment Association, and  
24 voluntary contributions from insurance companies. All funds  
25 deposited into the trust fund may be invested pursuant to  
26 section 215.47, Florida Statutes. Dividends, interest, and  
27 gains accruing to the trust fund shall increase the total  
28 funds available for the program. With the exception of  
29 administration fees paid to the State Board of Administration  
30 pursuant to Section 1(3)(n) of Senate Bill 402, 2000 Regular  
31 Session, all earnings shall be used for the administration of

1 the association for the benefit of the participants. Any  
2 balance contained within the fund at the end of a fiscal year  
3 shall remain in the fund and shall be available for carrying  
4 out the purposes of the Florida Health Endowment Association.  
5 If the dividends, interest, and gains exceed the amount  
6 necessary for program administration and payment of insurance  
7 benefits, the board may designate an additional percentage of  
8 the fund to serve as a contingency fund. Moneys contained  
9 within the fund are exempt from the investment requirements of  
10 section 18.10, Florida Statutes.

11 (2) ASSETS OF THE FUND; EXPENDITURE PRIORITY.--The  
12 assets of the fund shall be maintained, invested, and expended  
13 solely for the purposes of the Florida Health Endowment  
14 Association and may not be loaned, transferred, or otherwise  
15 used by the state for any purpose other than the purposes of  
16 the association. This subsection does not prohibit the board  
17 from investing in, by purchase or otherwise, bonds, notes, or  
18 other obligations of the state or of an agency or  
19 instrumentality of the state.

20 Section 2. Paragraph (v) is added to subsection (1) of  
21 section 215.22, Florida Statutes, to read:

22 215.22 Certain income and certain trust funds  
23 exempt.--

24 (1) The following income of a revenue nature or the  
25 following trust funds shall be exempt from the deduction  
26 required by s. 215.20(1):

27 (v) The Florida Health Endowment Trust Fund.

28 Section 3. This act shall take effect on the effective  
29 date of Senate Bill 402, relating to the Florida Health  
30 Endowment Association, but shall not take effect if such  
31 legislation does not become a law.

1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                   COMMITTEE SUBSTITUTE FOR  
3                   Senate Bill 404

4 The committee substitute provides the following changes:

- 5 1.       Specifies that the earnings of the trust fund, with the  
6       exception of the State Board of Administration's  
7       administrative fees, are required to be used for the  
8       administration of the Florida Health Endowment  
9       Association for the benefit of the participants.  
10 2.       Exempts the trust fund from the general government  
11       service charge of 7 percent that is generally assessed  
12       against all trust funds, unless the trust fund is  
13       specifically exempted from the service charge in s.  
14       215.22, F.S.  
15 3.       Removes the liability of the state to meet the  
16       obligations of the association to participants if the  
17       trust fund fails to offset the obligations of the  
18       association.