

By Senators Latvala and Garcia

19-331C-01

1 A bill to be entitled

2 An act relating to governmental reorganization;

3 creating s. 17.001, F.S.; establishing the

4 Office of the Chief Financial Officer; creating

5 s. 20.121, F.S.; creating the Department of

6 Financial Services; providing for the Office of

7 the Commissioner of Insurance; providing for

8 the Office of the Commissioner of Financial

9 Institutions; providing for the Office of the

10 Commissioner of Securities and Finance;

11 providing for the Office of the Commissioner of

12 the Treasury; establishing the manner of

13 appointment; providing qualifications;

14 transferring the Department of Banking and

15 Finance and the Department of Insurance to the

16 Department of Financial Services; repealing s.

17 20.12, F.S.; abolishing the Department of

18 Banking and Finance; repealing s. 20.13, F.S.;

19 abolishing the Department of Insurance;

20 requesting the Division of Statutory Revision

21 to prepare draft legislation; establishing the

22 Financial Services Transition Task Force;

23 providing membership; establishing duties;

24 providing an effective date.

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

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28 Section 1. Effective January 7, 2003, section 17.001,

29 Florida Statutes, is created to read:

30 17.001 Financial Officer.--As provided in s. 4(c),

31 Art. IV of the State Constitution, the Chief Financial Officer

1 is the chief fiscal officer of the state and is responsible
2 for settling and approving accounts against the state and
3 keeping all state funds and securities.

4 Section 2. Effective January 7, 2003, section 20.121,
5 Florida Statutes, is created to read:

6 20.121 Department of Financial Services.--There is
7 created a Department of Financial Services.

8 (1) The head of the Department of Financial Services
9 is the Chief Financial Officer.

10 (2)(a) The Division of Administration is created
11 within the Office of the Chief Financial Officer. The division
12 is headed by a director who is appointed by and serves at the
13 pleasure of the Chief Financial Officer. A Bureau of Financial
14 and Support Services is created within the division.

15 (b) The Division of Financial Investigations is
16 created within the Office of the Chief Financial Officer. The
17 division is headed by a director who is appointed by and
18 serves at the pleasure of the Chief Financial Officer.

19 (3) Notwithstanding the requirements of s. 20.04 and
20 except as otherwise provided in this section, the principal
21 policy and program development unit of the department is the
22 "office." Each office is headed by a commissioner who is
23 appointed by and serves at the pleasure of the Chief Financial
24 Officer. Each commissioner shall perform such duties as are
25 specified in this section and such other duties as are
26 assigned by the Chief Financial Officer. The principal unit of
27 each office is the "division." Each division is headed by a
28 "director."

29 (4)(a) The Office of the Commissioner of Insurance is
30 established in the Department of Financial Services. The
31 office shall be headed by the Commissioner of Insurance. Prior

1 to appointment as commissioner, the Commissioner of Insurance
2 must have had, within the previous 10 years, at least 5 years
3 of experience as a senior officer of an insurer, as defined in
4 s. 624.03, or insurance agency, as defined in s. 626.094, or
5 as an examiner or other senior employee of a state or federal
6 agency having regulatory responsibility over insurers or
7 insurance agencies.

8 (b) The Office of the Commissioner of Insurance shall
9 consist of the following divisions:

- 10 1. Division of Insurance Agents and Agencies;
- 11 2. Division of Insurance Consumer Services;
- 12 3. Division of Insurer Services;
- 13 4. Division of Rehabilitation and Liquidation;
- 14 5. Division of Risk Management; and
- 15 6. Division of State Fire Marshal.
- 16 7. Division of Workers' Compensation.

17 (5)(a) The Office of the Commissioner of Financial
18 Institutions is established in the Department of Financial
19 Services. The office shall be headed by the Commissioner of
20 Financial Institutions. Prior to appointment, the Commissioner
21 of Financial Institutions must have had, within the previous
22 10 years, at least 5 years of experience as a senior officer
23 of a financial institution, as defined in s. 655.005, or as an
24 examiner or other senior employee of a state or federal agency
25 having regulatory responsibility over financial institutions.

26 (b) The Office of the Commissioner of Financial
27 Institutions shall consist of the following divisions:

- 28 1. Division of Banking; and
- 29 2. Division of Credit Unions.

30 (6) The Office of the Commissioner of Securities and
31 Finance is established within the Department of Financial

1 Services. The office shall be headed by the Commissioner of
2 Securities and Finance. Prior to appointment, the Commissioner
3 of Securities and Finance must have had, within the previous
4 10 years, at least 5 years of experience as a senior officer
5 of a securities or finance company or as an examiner or other
6 senior employee of a state or federal agency having regulatory
7 responsibility over securities or finance companies.

8 (7)(a) The Office of the Commissioner of the Treasury
9 is established in the Department of Financial Services. The
10 office shall be headed by the Commissioner of the Treasury.
11 The Commissioner of the Treasury must possess sufficient
12 education, business experience, and managerial ability to
13 effectively perform his or her duties.

14 (b) The Office of the Commissioner of the Treasury
15 shall consist of the following divisions:

16 1. Division of Accounting and Auditing, which is
17 responsible for, without limitation, unclaimed property;

18 2. Division of Information Services; and

19 3. Division of Treasury. A section of Government
20 Employee Deferred Compensation is created within the Division
21 of Treasury which shall administer the Government Employees
22 Deferred Compensation Plan established under s. 112.215 for
23 state employees.

24 Section 3. Effective January 7, 2003, the Department
25 of Banking and Finance and the Department of Insurance are
26 transferred by a type two transfer, as defined in section
27 20.06, Florida Statutes, to the Department of Financial
28 Services.

29 Section 4. Sections 20.12 and 20.13, Florida Statutes,
30 are repealed. This section takes effect January 7, 2003.

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1 Section 5. By January 31, 2002, the Division of
2 Statutory Revision of the Office of Legislative Services shall
3 prepare and submit to the President of the Senate and the
4 Speaker of the House of Representatives substantive
5 legislation to conform the Florida Statutes to the provisions
6 of this act. The legislation shall not be drafted as a
7 reviser's bill. The draft shall include provisions:

8 (1) Changing the term "Comptroller" or "Treasurer" to
9 "Chief Financial Officer" with respect to functions of the
10 Chief Financial Officer where appropriate;

11 (2) Changing references to the "Department of Banking
12 and Finance" or the "Department of Insurance" to the
13 "Department of Financial Services" where appropriate; and

14 (3) Otherwise conforming the statutes to the abolition
15 of the offices of Comptroller and Treasurer, the creation of
16 the Office of the Chief Financial Officer, the abolition of
17 the Department of Banking and Finance and the Department of
18 Insurance, and the creation of the Department of Financial
19 Services.

20 Section 6. (1) The Financial Services Transition Task
21 Force is established. The task force shall be composed of:

22 (a) One consumer representative appointed by the
23 Governor;

24 (b) Two members appointed by the President of the
25 Senate;

26 (c) Two members appointed by the Speaker of the House
27 of Representatives;

28 (d) Two members appointed by the Comptroller; and

29 (e) Two members appointed by the Insurance
30 Commissioner and Treasurer.

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1 (2) The organizational meeting of the task force must
2 be held by August 1, 2001. The members of the task force shall
3 elect a chair by majority vote. Members of the task force
4 shall serve without compensation, but shall be reimbursed for
5 per diem and travel expenses as provided in section 112.061,
6 Florida Statutes.

7 (3) The purpose of the task force is to review the
8 Florida Statutes and state rules and:

9 (a) Recommend amendments to statutes and rules made
10 necessary by the changes made by this act.

11 (b) Identify any organizational problems involving,
12 without limitation, communication among divisions, technical
13 assistance, and other services and recommend solutions to the
14 identified problems.

15 (c) Identify any issues related to technology,
16 including the coordination or incompatibility of technology
17 systems, and suggest solutions to the identified problems.

18 (d) Recommend methods to improve departmental
19 accountability, including, but not limited to, modification of
20 performance measures.

21 (4) The task force may procure information and
22 assistance from any officer or agency of the state or any
23 subdivision thereof. All such officials and agencies shall
24 give the task force all relevant information and assistance
25 with respect to any matter within their knowledge or control.

26 (5) The task force shall submit a final report to the
27 Governor, the President of the Senate, and the Speaker of the
28 House of Representatives by February 1, 2002.

29 (6) The task force terminates upon submission of its
30 final report.

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1 Section 7. Except as otherwise provided in this act,
2 this act shall take effect July 1, 2001.

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5 SENATE SUMMARY

6 Creates the Department of Financial Services under the
7 state's Chief Financial Officer and transfers to it, with
8 future effect upon the creation of the new position, the
9 powers, duties, functions, and assets of the Department
10 of Banking and Finance and the Department of Insurance.
11 Creates the Financial Services Transition Task Force to
12 provide guidance with respect to effecting the transfers.
13 (See bill for details.)
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