

By Senators Latvala and Garcia

19-99-02

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 divisions
7 of the department; specifying division
8 directors who shall act as agency head for
9 purposes of ch. 120, F.S.; establishing the
10 manner of their appointment and confirmation;
11 amending s. 627.0623, F.S.; limiting campaign
12 contributions from certain persons to or on
13 behalf of the Treasurer or Chief Financial
14 Officer; providing a criminal penalty for a
15 violation; amending s. 655.019, F.S.; limiting
16 campaign contributions from certain persons to
17 or on behalf of the Comptroller or Chief
18 Financial Officer; providing a criminal penalty
19 for a violation; providing that this act shall
20 not affect the validity of certain judicial and
21 administrative actions; transferring the
22 Department of Banking and Finance and the
23 Department of Insurance to the Department of
24 Financial Services; repealing s. 20.12, F.S.;
25 abolishing the Department of Banking and
26 Finance; repealing s. 20.13, F.S.; abolishing
27 the Department of Insurance; providing
28 effective dates.

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30 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. Section 17.001, Florida Statutes, is
2 created to read:

3 17.001 Financial Officer.--As provided in s. 4(c),
4 Art. IV of the State Constitution, the Chief Financial Officer
5 is the chief fiscal officer of the state and is responsible
6 for settling and approving accounts against the state and
7 keeping all state funds and securities.

8 Section 2. Section 20.121, Florida Statutes, is
9 created to read:

10 20.121 Department of Financial Services.--There is
11 created a Department of Financial Services.

12 (1) The head of the Department of Financial Services
13 is the Chief Financial Officer.

14 (2) The Department of Financial Services shall consist
15 of the following divisions:

16 (a) Division of Treasury.

17 (b) Division of Consumer Services.

18 (c) Division of Insurer Services.

19 (d) Division of Financial Institutions, which shall
20 consist of the following bureaus:

21 1. Bureau of Banking; and

22 2. Bureau of Credit Unions.

23 (e) Division of Risk Management.

24 (f) Division of State Fire Marshal.

25 (g) Division of Insurance Fraud.

26 (h) Division of Rehabilitation and Liquidation.

27 (i) Division of Securities.

28 (j) Division of Information Systems.

29 (k) Division of Legal Services.

30 (l) Division of Financial Investigations.

31 (m) Division of Accounting and Auditing.

1 (n) Division of Insurance Agent and Agency Services.
2 (o) Division of Administration.
3 (3) The Division of Financial Institutions, the
4 Division of Securities, and the Division of Insurer Services
5 shall each be headed by a "director." The directors of these
6 divisions shall act as agency head for purposes of chapter
7 120, and shall be responsible for final agency action with
8 regard to the implementation and enforcement of statutes and
9 rules under the regulatory authority delegated to their
10 divisions. The Director of the Division of Financial
11 Institutions, the Director of the Division of Securities, and
12 the Director of the Division of Insurer Services shall each be
13 appointed by the Chief Financial Officer, subject to
14 confirmation by the trustees of the State Board of
15 Administration, and shall serve at the pleasure of the
16 trustees of the State Board of Administration.
17 (4) The Division of Financial Investigations shall
18 function as a criminal justice agency within the meaning of s.
19 943.045(10)(e).
20 (5)(a) The Division of Treasury, in addition to other
21 matters that may be assigned to or located within that
22 division, shall administer the Government Employees Deferred
23 Compensation Plan established under s. 112.215 for state
24 employees.
25 (b) To carry out the purpose of paragraph (a), a
26 Section of Government Employee Deferred Compensation is
27 created within the Division of Treasury.
28 Section 3. Effective upon this act becoming a law,
29 section 627.0623, Florida Statutes, is amended to read:
30 627.0623 Restrictions on expenditures and
31 solicitations of insurers and affiliates.--

1 (1) As used in this section:

2 (a) "Insurer" means any entity holding a certificate
3 of authority under chapter 624, chapter 628, chapter 629,
4 chapter 632, or chapter 641.

5 (b) "Affiliate" means any insurance holding company
6 required to be registered under s. 628.801 or any subsidiary
7 of such holding company.

8 (2) No insurer, affiliate, or officer of an insurer or
9 affiliate, and no political committee or committee of
10 continuous existence representing the interests of such
11 insurer, affiliate, or officer shall make a contribution in
12 excess of \$100, for any election, to or on behalf of the
13 Treasurer or Chief Financial Officer or to or on behalf of any
14 candidate for the office of Chief Financial Officer ~~Treasurer~~.
15 The provisions of this subsection shall not prevent any
16 candidate or members of that candidate's family from
17 contributing to that candidate's campaign as otherwise
18 permitted by law.

19 (3) The Treasurer or Chief Financial Officer or a
20 candidate for the office of Chief Financial Officer ~~Treasurer~~
21 may not accept a campaign contribution in excess of \$100 from
22 any insurer, affiliate, or officer of an insurer or affiliate,
23 or any political committee or committee of continuous
24 existence that represents such insurer, affiliate, or officer.

25 (4) No employee of the department or the Department of
26 Financial Services may solicit a campaign contribution for the
27 Treasurer or Chief Financial Officer or any candidate for the
28 office of Chief Financial Officer ~~Treasurer~~ from any insurer,
29 affiliate, or officer of an insurer or affiliate, or any
30 political committee or committee of continuous existence that
31 represents such insurer, affiliate, or officer. For purposes

1 of this section, "employee of the department" means any person
2 employed in the Department of Insurance, ~~or~~ the Treasurer's
3 office, the Department of Financial Services, or the Office of
4 the Chief Financial Officer holding a position in the Senior
5 Management Service as defined in s. 110.402; any person
6 holding a position in the Selected Exempt Service as defined
7 in s. 110.602; any person having authority over insurance
8 policy, regulation, or supervision; or any person hired on a
9 contractual basis, having the power normally conferred upon
10 such person, by whatever title.

11 (5) The Department of Insurance and the Department of
12 Financial services shall make available by electronic means a
13 list of persons whose names are filed with such ~~the~~ department
14 and who are insurers, affiliates, or officers subject to this
15 section. Each ~~The~~ department may charge a fee for the
16 furnishing of a list under this subsection in an amount to
17 cover its ~~the~~ cost of preparing the list.

18 (6) Any person who commits a knowing and willful
19 violation of this section commits a misdemeanor of the first
20 degree, punishable as provided in s. 775.082 or s. 775.083.

21 Section 4. Effective upon this act becoming a law,
22 section 655.019, Florida Statutes, is amended to read:

23 655.019 Campaign contributions; limitations.--

24 (1) Notwithstanding the limits provided in s. 106.08,
25 no financial institution which is licensed or otherwise
26 authorized to do business pursuant to chapters 655-665, nor an
27 officer, executive officer, affiliate, subsidiary or service
28 corporation of a financial institution that is licensed or
29 otherwise authorized to do business pursuant to chapters
30 655-665, and no political committee or committee of continuous
31 existence representing the interests of such financial

1 institution shall make a contribution in excess of \$100, for
2 any election, to or on behalf of the Comptroller or Chief
3 Financial Officer or any candidate for the office of Chief
4 Financial Officer ~~Comptroller~~. The provisions of this
5 subsection shall not prevent any candidate or members of that
6 candidate's immediate family from contributing to that
7 candidate's campaign as otherwise permitted by law.

8 (2) The Comptroller, Chief Financial Officer, or
9 candidate for the office of Chief Financial Officer
10 ~~Comptroller~~ may not accept a campaign contribution in excess
11 of \$100 from any financial institution which is licensed or
12 otherwise authorized to do business pursuant to chapters
13 655-665, or an officer, executive officer, affiliate,
14 subsidiary or service corporation of such financial
15 institution, or any political committee or committee of
16 continuous existence that represents that financial
17 institution.

18 (3) No employee of the department or of the Department
19 of Financial Services may solicit a campaign contribution for
20 the Comptroller or Chief Financial Officer or any candidate
21 for the office of the Chief Financial Officer ~~Comptroller~~ from
22 any person who is licensed or otherwise authorized to do
23 business by the department or the Department of Financial
24 Services under chapters 655-665 or who has an application
25 pending for licensure or other authorization to do business
26 pending with the department or the Department of Financial
27 Services under chapters 655-665, or any director, officer,
28 employee, agent, retained legal counsel, lobbyist, or partner
29 or affiliate of that person or any political committee or
30 committee of continuous existence that represents that person.
31 For purposes of this section, "employee of the department"

1 means any person employed in the department, the Department of
2 Financial Services, ~~or~~ the Comptroller's office, or the office
3 of the Chief Financial Officer holding a position in the
4 Senior Management Service as defined in s. 110.402; any person
5 holding a position in the Selected Exempt Service as defined
6 in s. 110.602; any person having authority over institution
7 policy, regulation, or supervision; or any person hired on a
8 contractual basis, having the power normally conferred upon
9 such person, by whatever title.

10 (4) Any person who knowingly and willfully commits a
11 violation of this section commits a misdemeanor of the first
12 degree, punishable as provided in s. 775.082 or s. 775.083.

13 Section 5. This act shall not affect the validity of
14 any judicial or administrative action involving the Department
15 of Banking and Finance or the Department of Insurance pending
16 on January 7, 2003, and the Department of Financial Services
17 shall be substituted as a party in interest in any such
18 action. However, if the action involves the constitutional
19 functions of the Comptroller or Treasurer, the Chief Financial
20 Officer shall instead be substituted as a party in interest.

21 Section 6. Effective January 7, 2003, the Department
22 of Banking and Finance and the Department of Insurance are
23 transferred by a type two transfer, as defined in section
24 20.06, Florida Statutes, to the Department of Financial
25 Services.

26 Section 7. Sections 20.12 and 20.13, Florida Statutes,
27 are repealed.

28 Section 8. Except as otherwise provided in this act,
29 this act shall take effect January 7, 2003.

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SENATE SUMMARY

Establishes the office of Chief Financial Officer.
Creates the Department of Financial Services and
subdivisions of that department and transfers to it the
Department of Banking and Finance and the Department of
Insurance. Provides for the appointment, powers, and
duties of the directors of the Division of Financial
Institutions, the Division of Securities, and the
Division of Insurer Services. Prohibits certain political
contributions or expenditures to or on behalf of the
Chief Financial Officer or a candidate for that office.