



HB 1853

2003

1 A bill to be entitled

2 An act relating to the Budget Stabilization Fund; amending  
3 s. 216.222, F.S.; providing for transferring moneys from  
4 the fund to the General Revenue Fund in an emergency;  
5 specifying conditions of an emergency; requiring a self-  
6 insurance reserve fund to be maintained at certain levels;  
7 providing for transfers from the Budget Stabilization Fund  
8 to the State Risk Management Trust Fund under certain  
9 circumstances; providing limitations; providing an  
10 effective date.

11  
12 WHEREAS, the Division of Risk Management provides property  
13 insurance coverage for all agencies within the executive,  
14 legislative, and judicial branches of state government, and

15 WHEREAS, the state self-insures for the first \$2 million of  
16 each loss with an annual aggregate of \$5 million and a \$100,000  
17 trailing deductible and for the first \$4 million of each loss  
18 for windstorm with an aggregate of \$8 million, and \$100,000 per  
19 occurrence trailing, and

20 WHEREAS, coverage above the retained amount is obtained  
21 through a series of coverages, and

22 WHEREAS, the first level of insurance purchased, which is  
23 the amount above the coverage retained by the state up to  
24 coverage of \$20 million, has become increasingly costly, and

25 WHEREAS, since September 11, 2001, coverage has not only  
26 increased in cost but provides less coverage, and

27 WHEREAS, in the last 10-year period, there has been only  
28 one year in which claims have exceeded \$2 million, and

29 WHEREAS, coverage above the retained amount up to \$20  
30 million costs over \$6 million in the current fiscal year, and



HB 1853

2003

31 WHEREAS, insurance over the \$20 million level is readily  
32 obtainable and more reasonably priced such that it is in the  
33 best interest of the state to purchase insurance coverage for  
34 losses exceeding the \$20 million level, and

35 WHEREAS, the Legislature finds that property losses in  
36 excess of the coverage retained by the state constitute an  
37 emergency situation upon which it is appropriate to use moneys  
38 from the Budget Stabilization Fund to cover such losses, NOW,  
39 THEREFORE,

40

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

42

43 Section 1. Section 216.222, Florida Statutes, is amended  
44 to read:

45 216.222 Budget Stabilization Fund; criteria for  
46 withdrawing moneys.--Moneys in the Budget Stabilization Fund may  
47 be transferred to the General Revenue Fund for:

48 (1)(a) Offsetting a deficit in the General Revenue Fund. A  
49 deficit is deemed to occur when the official estimate of funds  
50 available in the General Revenue Fund for a fiscal year falls  
51 below the total amount appropriated from the General Revenue  
52 Fund for that fiscal year. Such a transfer must be made pursuant  
53 to s. 216.221, or pursuant to an appropriation by law.

54 (b) Notwithstanding the requirements of s. 216.221, if,  
55 after consultation with the Revenue Estimating Conference, the  
56 Comptroller believes that a deficit will occur in the General  
57 Revenue Fund and if:

58 1. Fewer than 30 but more than 4 days are left in the  
59 fiscal year, the Legislature is not in session, and neither the



HB 1853

2003

60 Legislature nor the Legislative Budget Commission is scheduled  
61 to meet before the end of the fiscal year, or

62 2. Fewer than 5 days are left in the fiscal year and the  
63 Governor and the Chief Justice, the Legislature, or the  
64 Legislative Budget Commission have not implemented measures to  
65 resolve the deficit,

66  
67 the Comptroller shall certify the deficit to the Governor, the  
68 Chief Justice, the President of the Senate, and the Speaker of  
69 the House of Representatives, and may thereafter withdraw funds  
70 from the Budget Stabilization Fund to offset the projected  
71 deficit in the General Revenue Fund. The Comptroller shall  
72 consult with the Governor and the chair and vice chair of the  
73 Legislative Budget Commission before any funds may be withdrawn  
74 from the Budget Stabilization Fund. At the beginning of the next  
75 fiscal year, the Comptroller shall promptly determine the  
76 General Revenue Fund balance to be carried forward. The  
77 Comptroller shall immediately repay the Budget Stabilization  
78 Fund for the withdrawn amount, up to the amount of the balance.  
79 If the General Revenue Fund balance carried forward is not  
80 sufficient to fully repay the Budget Stabilization Fund, the  
81 repayment of the remainder of the withdrawn funds shall be as  
82 provided in s. 215.32(2)(c)3.

83 (2) Providing funding for an emergency as defined in s.  
84 252.34. The emergency must have been declared by the Governor  
85 pursuant to s. 252.36 or declared by law. Such a transfer must  
86 be made pursuant to s. 252.37, subject to the conditions in that  
87 section, or pursuant to an appropriation by law.

88 (3) Providing funding for an emergency as defined in this  
89 subsection. For purposes of this subsection, an emergency exists



HB 1853

2003

90 when the self-insurance reserve fund maintained by the Division  
 91 of Risk Management to cover losses to state property has been  
 92 depleted.

93 (a) The self-insurance reserve fund shall be maintained at  
 94 the same level for the same coverage as existed for fiscal year  
 95 2002-2003.

96 (b) At such time that the Division of Risk Management  
 97 certifies that the property insurance reserve has been depleted,  
 98 the division shall request a budget amendment through the  
 99 procedures set out in s. 216.181 to transfer \$2 million from the  
 100 Budget Stabilization Fund to the State Risk Management Trust  
 101 Fund. Transfers shall be made in allotments of \$2 million. Total  
 102 transfers into the fund pursuant to this paragraph in any fiscal  
 103 year shall not exceed \$20 million.

104 (4)-(3) Providing temporary transfers to the General  
 105 Revenue Fund pursuant to s. 215.18.

106 Section 2. This act shall take effect upon becoming a law.